

ELEMENT VII:
HOUSING

Element VII
Table of Contents
Housing

HOUSING TRENDS	VII-1
EXISTING HOUSING CONDITIONS	VII-2
1. Housing Units	VII-2
2. Occupancy	VII-3
3. Special Needs & Elderly Housing	VII-4
4. Age & Condition	VII-5
5. Location	VII-6
HOUSING COSTS/AFFORDABILITY	VII-9
1. Housing Costs	VII-9
2. Income	VII-11
3. Affordable Housing	VII-13
HOUSING NEEDS	VII-17
1. Housing Projections	VII-17
2. Housing Needs	VII-18
AFFORDABLE HOUSING PLAN	VII-21
1. Housing Needs	VII-21
2. Rhode Island Housing Legislation	VII-23
3. The Broader Context	VII-24
4. Middletown Housing Affordability	VII-29
5-YEAR AFFORDABLE HOUSING ACTION PLAN	VII-31

List of Tables

TABLE 1: HOUSING UNITS	VII-1
TABLE 2: NUMBER OF UNITS IN STRUCTURE	VII-2
TABLE 3: OCCUPANCY	VII-3
TABLE 4: LENGTH OF TENURE	VII-3
TABLE 5: SPECIAL NEEDS & ELDERLY HOUSING	VII-4
TABLE 6: AGE OF HOUSING	VII-5
TABLE 7: HOUSING DENSITY	VII-6
TABLE 8: AFFORDABLE MORTGAGE	VII-9
TABLE 9: HOUSING PRICES, 1990-2003	VII-10
TABLE 10: RENTAL COSTS	VII-11
TABLE 11: MEDIAN WAGE BY OCCUPATION, 2002	VII-12
TABLE 12: SUBSIDIZED HOUSING UNITS	VII-14
TABLE 13: FAIR MARKET RENT, 2003	VII-16
TABLE 14: AGE DISTRIBUTION, 1990-2000	VII-19
TABLE 15: AFFORDABLE HOUSING	VII-24
TABLE 16: WORST CASE HOUSING NEEDS, 1990-2000	VII-25
TABLE 17: EAST BAY HOUSING MARKET AREA	VII-27
TABLE 18: TYPES OF HOUSING	VII-27
TABLE 19: AFFORDABILITY TRENDS	VII-30
TABLE 20: MIDDLETOWN'S FUTURE HOUSING NEEDS	VII-41
TABLE 21: NUMBER OF LMI UNITS TO BE PRODUCED (by strategy & time)	VII-42
TABLE 22: NUMBER OF LMI UNITS TO BE PRODUCED (by household tenure & type)	VII-42

List of Figures

FIGURE 1: RESIDENTIAL DENSITY	VII-7
FIGURE 2: MEDIAN HOME PRICE 1990-2003	VII-10
FIGURE 3: BUILDING PERMITS, 1980-2003	VII-18
FIGURE 4: DEFINITIONS	VII-22
FIGURE 5: STATE HOUSING GOALS	VII-26
FIGURE 6: PERCENT OF LMI HOUSEHOLD TYPES THAT ARE COST BURDONED	VII-28

Appendices

Appendix A: Housing Policies and Programs	VII-50
Appendix B. Building Permit Data	VII-51
Appendix C: CHAS Data 2000	VII-52

VII

HOUSING

The Town of Middletown has always had a broad variety of housing types available, giving it the character of the “typical” American town. The Community is happy with this “healthy” mix of people from a wide socioeconomic spectrum. Because the vitality of the community gets much of its strength from the diversity of its people, Middletown wants to be attractive and accessible to all that desire to make the town their home. To achieve this goal, the town has taken positive steps to ensure that adequate housing is available to those at all levels of the economic ladder, and will continue to do so in the future.

This element surveys the past and present housing situation, analyzes current and future housing needs, outlines initiatives that the town has already taken to enhance housing affordability as well as future steps that will be taken, and lists policies and actions to be implemented to meet affordable housing goals while maintaining the town’s character.

HOUSING TRENDS

In recent decades, the largest growth in Middletown’s housing stock occurred between 1970 and 1980, with the addition of 1,582 new units in this time period. Between 1980 and 1990 building activity decreased significantly, 850 building permits were issued during these years. A significant number of these building permits (two hundred) were for multifamily structures. Housing construction slowed even more in the 1990’s: 624 building permits were issued, only 39 of these were for two and three-family units.

The presence of the Navy on Aquidneck Island has had a large impact on Middletown’s housing stock. The Navy currently operates 951 units in three housing complexes in Middletown: Coddington Cove (232 units), The Anchorage (308 units), and Green Lane (411 units). Construction, rehabilitation, and demolition of housing units in these complexes is not under the Town’s purview, and is generally not reflective of civilian demographic trends. The pull-out of the Navy in the 1970’s was responsible for the large drop in the population of Aquidneck Island between 1970 and 1980. The continued reduction in Navy personnel based on Aquidneck has led to a similar decline in Navy housing units – over three hundred have been lost over the past decade. The Navy currently plans on further reducing the number of units as part of its privatization plan.

Because of the decline in Navy Housing in recent decades, the overall growth in housing units has not been as great as would be expected by the number of building permits issued. Although private housing units increased by almost 14 percent between 1990 and 2000, the overall growth in number of housing units was only 7 percent over this time period; these trends are shown in Table 1.

Table 1: HOUSING UNITS

<u>Year</u>	<u>Pop.</u>	<u>Total Units</u>	<u>Civilian Units</u>	<u>Navy Units</u>
1970	29,290	4,901	*	*
1980	17,216	6,483	*	*
1990	19,460	7,104	5,846	1,258
2000	17,334	7,603	6,652	951

* No data available for these years

SOURCE: US CENSUS 1970-2000

EXISTING HOUSING CONDITIONS

1. Housing Units

According to the 2000 US Census, Middletown has 7,603 housing units. Of these units, the majority are single-family detached units (58 percent). Multi-family dwellings, including a mix of small two to four unit dwellings and larger apartment buildings and complexes constitute 31 percent of the housing stock. The remaining 11 percent includes single-family attached units and mobile homes. Since 2000, approximately 150 building permits have been issued; only two of these were for multi-family units. In 1990, 18 percent of the town's units were Navy Housing; by 2000 only 13 percent of units were under Navy control. Table 2 details the change in number of units in structures from 1990-2000.

Table 2: NUMBER OF UNITS IN STRUCTURE					
Type	Number of Units			Percent of Units	
	1990	2000	Change 1990 -2000	1990	2000
1 unit detached	3,705	4,402	697	52.2%	57.9%
1 unit, attached	857	609	-248	12.1%	8.0%
2-4 units	1,233	1,335	102	17.4%	17.6%
5-9 units	201	207	6	2.8%	2.7%
10 or more units	748	818	70	10.5%	10.8%
Mobile home/ trailer	257	232	-25	3.6%	3.1%
Other	103	0	-103	1.4%	0.0%
Total	7,104	7,603	499	100%	100%

SOURCE: US Census, 1990 & 2000

Single-family homes Middletown range from historic farmhouses, to small Cape-style homes build mostly in the thirties and forties in the central portion of town, to newly constructed homes on large lots in the east side of town. Many of the older homes on and near Easton's Point were originally built for seasonal use, but are now occupied on a year-round basis.

Most of the town's multi-family units are controlled by the Navy; these units are restricted to Navy officers, enlisted personnel, and their families. In 1990, 56 percent of the multi-family units in Middletown were navy housing (1219 units in 387 structures). By 2000, the number of Navy housing units had been reduced to 961. Currently, the Navy is planning on turning over all of its housing units to a private developer. As part of this privatization process, the Navy plans on reducing the number of Navy units on Aquidneck Island by 453. Much of that reduction will be accomplished by excessing units at the Anchorage Naval Housing Complex. The existing multi-family units represent an important resource that could be redeveloped as affordable housing, and the town supports preserving a portion of the existing Anchorage Housing units as rental or cooperative housing for low and moderate income households.

The remainder of the town's multi-family units include the 302-unit Oxbow Farm subsidized housing complex, several large apartment complexes, and two and three family homes located throughout town. Many of the smaller multifamily units are large single-family homes that have been converted into condominiums.

Middletown has 232 mobile homes, most of these are located in three mobile home parks. The mobile home parks are Forest Park on Old Airport Road, Bay View Park on Coddington Highway, and Meadowlark Park on Prospect Avenue. Approximately 30 of the mobile homes are located on individual lots within residential areas.

2. Occupancy

Over the past decade homeownership has increased: according to the 1990 census 45 percent of housing units were owner occupied, this increased to 53 percent in 2000. Over the same time period, vacancy rates decreased from 1.2 percent to 0.5 percent in owner-occupied units, and from 8.3 percent to 3.9 percent in rental units. Although almost half of the town's housing units are rentals, many of these have specific occupancy requirements. In addition, a growing number of homes in Middletown are being purchased as second homes for occasional use. The 2000 US Census classified 193 vacant units as seasonal, up from 81 in 1990.

More than half of the rental units in Middletown have some type of restriction associated with occupancy. Approximately one third of the town's rental units are reserved for Navy personnel and their families. Another 546 units are subject to income restrictions. Many of Middletown's rental units are not available for year round residency. Instead, these units are usually owner-occupied or rented during the summer to seasonal visitors on a weekly or monthly basis. For the remainder of the year they are often rented to students of nearby colleges; The Newport County Board of Realtors estimates there are approximately 50 of these short-term rental units. Between the Navy, seasonal housing, and income and/or age restricted units, less than half of the rental units remain available for rental on a year-round basis for households which do not meet employment, income, or age qualifications.

Table 3: OCCUPANCY

<u>Restriction</u>	<u>Number</u>
Navy	951
Income	435
Age	111
Seasonal	50*
None	1,552
Total Rental Units	3,049

SOURCE: US Census, 2000; RIHMFC,
Newport County Board of Realtors

Middletown's population has changed quite significantly over the past several decades. Of the nearly 4,500 householders who moved into their house in the 1980s, only 925 remain. The majority of residents in Middletown are recent arrivals – 66.8 percent of residents moved into their unit within the past decade. Table 4 shows the change in length of tenure between 1990 and 2000. Although a significant number of those who moved to Middletown in the 1980s and have since left are likely Navy personnel only in Middletown for the short term, and others may have moved from one residence to another within Middletown, there is still a high rate of turnover in units.

Table 4: LENGTH OF TENURE

<u>Year Household Moved Into Unit</u>	<u>1990 Number</u>	<u>Percent</u>	<u>2000 Number</u>	<u>Percent</u>	<u>Change, 1990-2000 Number</u>	<u>Percent</u>
1990 to 2000	N/A	N/A	4,668	66.8%	N/A	N/A
1980 to 1989	4,482	67.8%	925	13.2%	-3,557	-79.4%
1970 to 1979	854	12.9%	585	8.4%	-269	-31.5%
1969 or earlier	1,271	19.2%	815	11.7%	-456	-35.9%

SOURCE: US Census, 1990 & 2002

3. Special Needs & Elderly Housing

Special Needs housing includes community residences, halfway houses, rooming houses, and residential care; elderly housing includes assisted living, rest, retirement, convalescent and nursing homes. These facilities serve the frail elderly, veterans, and persons with physical, and mental or developmental disabilities. Table 5 summarizes special needs and elderly housing in Middletown, these facilities are further described below.

Table 5: SPECIAL NEEDS & ELDERLY HOUSING

<u>Type</u>	<u>Units/Beds Clients</u>	<u>Subsidized</u>
Emergency/Transitional	38 Beds & Transitional Units	
Lucy's Hearth	30 Beds	N/A
Child and Family Services of Newport County	8 Transitional Family Units	N/A
Group Homes	8 Houses – 77 Clients	
Church Community Housing Corp.	2 Houses – 8 Clients	Yes
James L. Maher Center	3 Houses – 32 Clients	Yes
Other	3 Houses – 37 Clients	Yes
Physical Disability Housing	15 Units	
Villa Nia	15 Units	Yes
Nursing Homes	275 Beds	
Forest Farm Health Care Center Home	67 Beds	Yes
Grand Islander Center	148 Beds	No
John Clarke Retirement Center	60 Beds	
Rest, Retirement Communities, & Senior Housing	209 Independent, 42 Assisted	
John Clarke Retirement Center	50 Independent Units	No
Blenheim Residential Retirement Community	60 Independent Units/42 Assisted	No
Forest Farm Assisted Living	50 Independent Units	Yes
West House	49 Independent Units	Yes
These special needs homes are integrated into residential neighborhoods throughout the town and currently meet the community's special needs requirements.		

SOURCE: US Census, 2000; Personal Communication

a. *Emergency/Transitional Housing.* Emergency and transitional housing in Middletown is provided by two non-profit organizations. Lucy's Hearth is an agency that provides shelter and services to women with children who are homeless. The shelter, which has thirty beds in nine family bedrooms, is at full capacity 95% of the time; in addition, there is a waiting list for families needing the shelter. Child and Family Services of Newport provides eight transitional units for homeless families.

b. *Group Homes & Physical Disability Housing.* Middletown has long supported housing for handicapped persons. Working closely with Church Community Housing Corporation and the James L. Maher Center, the town has helped fund projects developed specifically to serve the handicapped. The town provides Community Development Block Grant

funds to assist in developing new residences for independent living. Church Community Housing Corporation manages two of the town's group homes, the State of Rhode Island, through the James L. Maher Center, manages three, and Newport County Community Mental Health provides one group home. Villa Nia Property Management manages 15 units of physical disability housing at Villa Nia.

c. Elderly Housing. Housing for the elderly housing is provided at five facilities, these include nursing homes, assisted, and independent living facilities; some facilities provide more than one type of housing. The nursing homes, along with the John Clarke Retirement Center, provide 275 nursing home beds. The John Clarke Retirement Center, Blenheim Residential Retirement Center, Forest Farm Assisted Living Facility, and West House provide a total of 208 independent units. Blenheim also offers 42 assisted units.

Almost 100 of these units are affordable to the low and moderate income elderly. West House is subsidized through the HUD 202 Supportive Housing for the Elderly Program, while Forest Farm Assisted Living is subsidized through Low Income Tax Credits. Previously, Blenheim had 88 units subsidized by a FHA mortgage, the mortgage has since been retired and the facility no longer has any income restrictions associated with occupancy.

4. Age & Condition

The majority of homes in Middletown are post-World War II construction, with almost 60 percent of the housing built after 1960. Only 13 percent of homes were constructed prior to 1940. Because of owners' continuing attention to maintenance and repair, the material condition of these residential structures is excellent. Table 6 shows 2000 US Census Data on year of construction of homes in Middletown; at the time of the 2000 Census, 610 homes were vacant and therefore not classified.

Table 6: AGE OF HOUSING

<u>Year Structure</u> <u>Built</u>	<u>Number of</u> <u>Units</u>	<u>Percent of</u> <u>Total Units</u>
1990-2000	817	10.7%
1980-1989	1,137	15.0%
1970-1979	1,058	13.9%
1960-1969	1,415	18.6%
1940-1959	2,170	28.5%
1939 or earlier	1,006	13.2%
Total Units¹	6,993	100.0%

SOURCE: US Census, 2000

The US Census classifies homes as substandard if they lack complete plumbing or kitchen facilities. According to 2000 Census sample data, less than 0.5 percent of homes in Middletown were classified as substandard; this is among the lowest percentage of substandard homes in Rhode Island. In 1990 there were 34 homes without complete plumbing facilities, this decreased to 31 in 2000. The number of homes without complete kitchen facilities increased from 6 to 20 between 1990 and 2000, this is likely due to an amendment to Zoning Ordinance to allow accessory family dwelling units in single-family homes.

¹ Data for occupied households only.

5. Location

Of the 7,603 housing units counted in the 2000 Census, approximately 44 percent of the units were located west of Valley and West Main Roads. The central portion of town, bounded by Valley/West Main Road and Paradise/Berkeley Avenues and East Main Road is the next most heavily developed area with approximately 43 percent of the housing units. The most sparsely developed area is to the east of Paradise/Berkeley Avenues and East Main Road, with only 12 percent of the town's housing units.

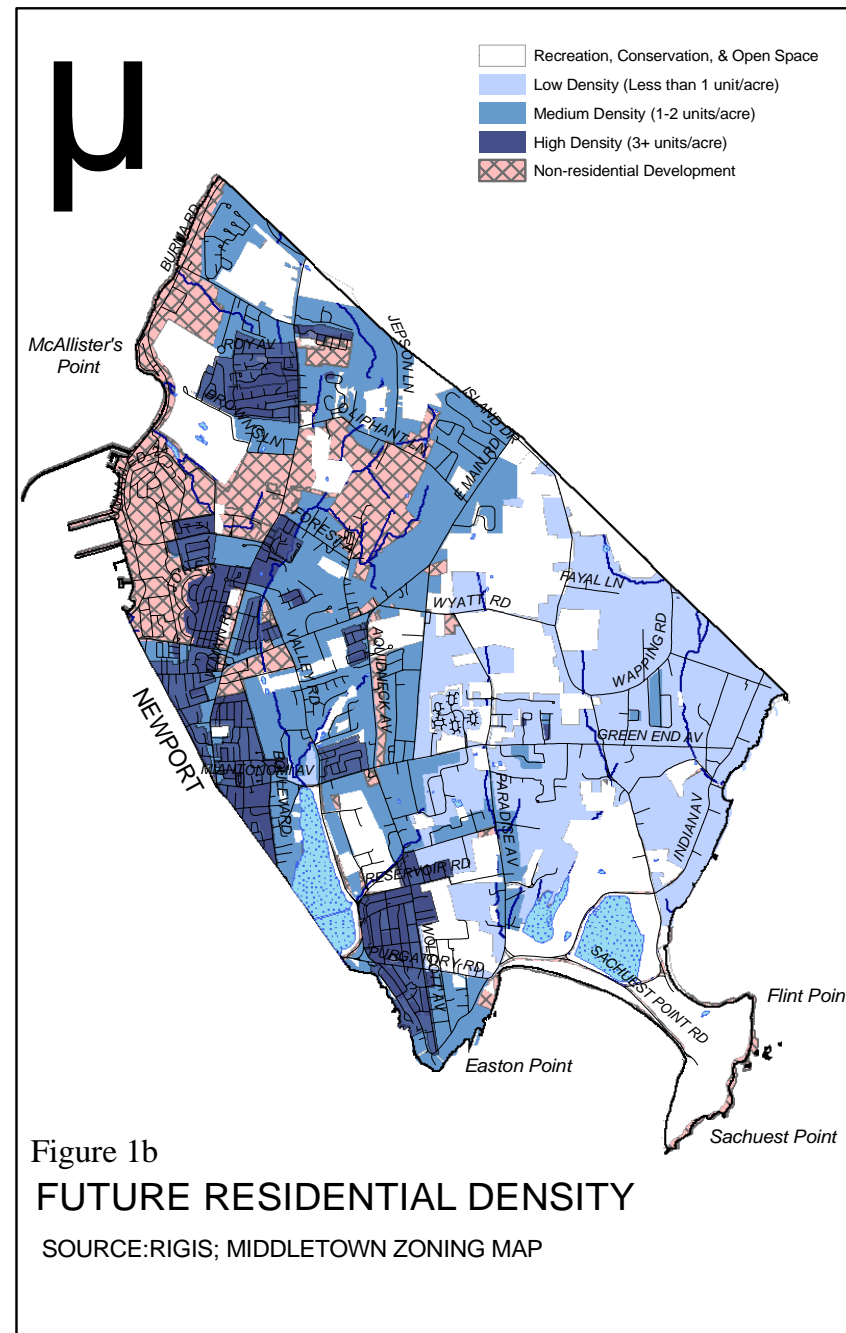
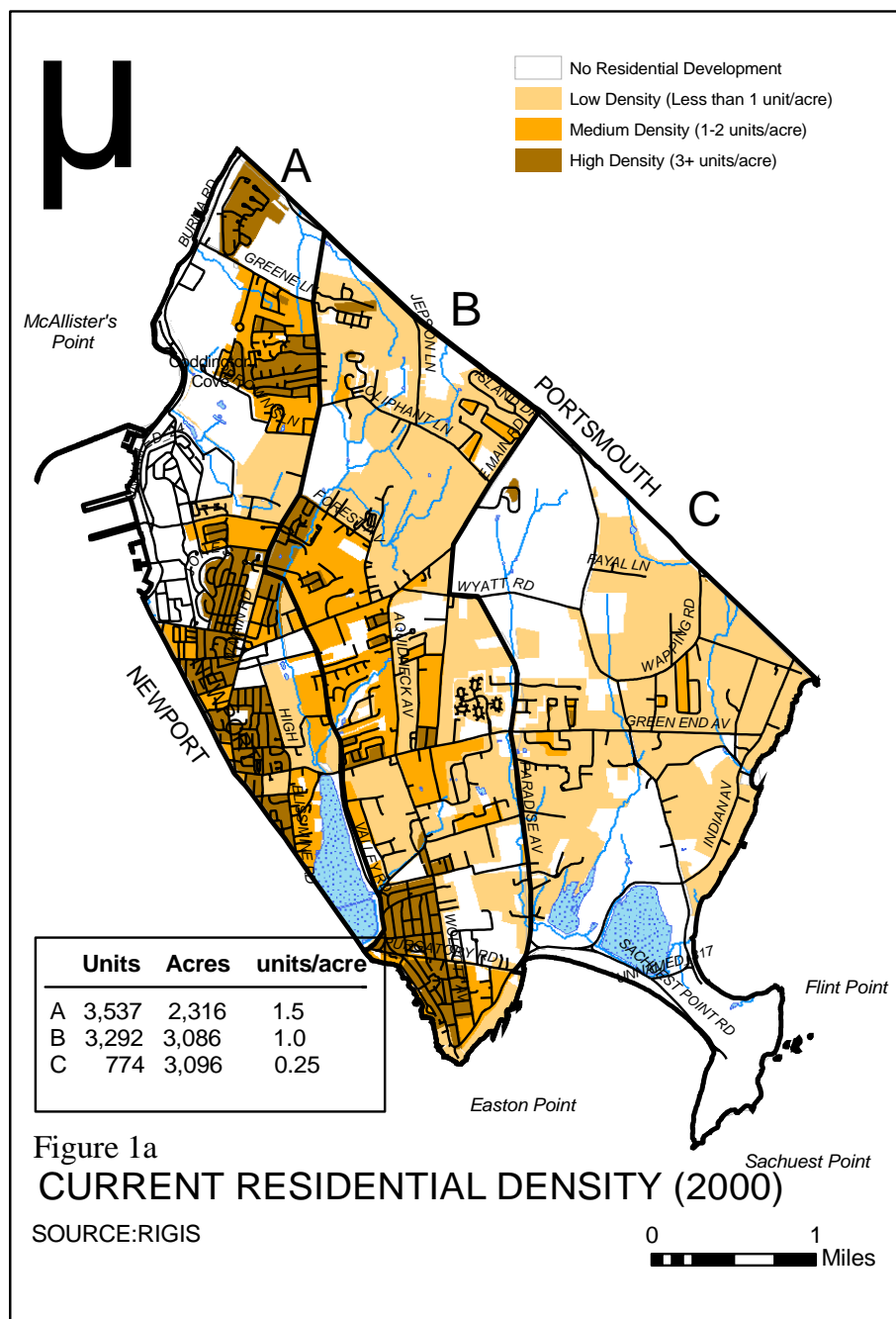
Comparing these values to 1990 Census data shows that the number of housing units has decreased in the west side of town (due to loss of Navy Housing Units), and increased in the central and eastern portion of town. While there have been fewer units constructed in the eastern area of town, these have all been single-family homes on 1 to 1 1/2 acre lots, while residential development in the center of town was generally on smaller lots and included all of the multi-family development in the past decade. Therefore, while fewer houses are being constructed east of Paradise/Berkeley Avenues, more land area is being consumed by residential development. Table 7 shows the change in housing in the three areas of town over the 1990-2000 time frame.

Table 7: HOUSING DENSITY					
	Number of Units		Change	Percent of Units	
	<u>1990</u>	<u>2000</u>	<u>1990-2000</u>	<u>1990</u>	<u>2000</u>
West	3,488	3,369	-119	49%	44%
Central	2,938	3,293	355	42%	43%
East	678	941	263	9%	12%
Total	7,104	7,603	499	100%	100%

SOURCE: US Census, 2000

Housing density is highest on the west side of Town, where the majority of residential construction has taken place. Many of the older housing units were constructed on lots smaller than what is now permitted by zoning, and land zoned for residential use in this area is zoned for high density (an average of 4 units per acre). The central portion of the town is zoned for medium density residential, but does contain some areas of denser residential development. The sparsely developed eastern areas of town is zoned for low-density residential use, with lots one or more acres in size. Figure 1 shows the density of existing housing and undeveloped residentially zoned areas.

FIGURE 1: RESIDENTIAL DENSITY



HOUSING COSTS/AFFORDABILITY

1. Housing Costs

Housing costs in Middletown have increased sharply over the past few years, as they have throughout Rhode Island. From 2000 to 2003, the median price of a single-family home sold in Middletown increased from \$188,000 to \$345,000 – an 83.5 percent increase. Even if these numbers are controlled for inflation, the percent increase in cost was over 70 percent. Despite the current low interest rates, the cost of the median home is now out of reach of families with median income, as shown in Table 8. Rents have also risen rapidly, making it difficult for workers in Middletown to find housing they can afford.

Table 8: AFFORDABLE MORTGAGE

<u>MORTGAGE PAYMENTS</u>	<u>2000</u>	<u>2003</u>
Median House	\$188,000	\$345,000
¹ Average Interest Rate	7.8%	5.8%
² Monthly Payment	\$1,277	\$1,814
³ Income needed to afford payment	\$51,080	\$72,560
 <u>MEDIAN FAMILY INCOME</u>		
Middletown	\$57,322	\$64,193
Newport County	\$59,829	\$67,000
Rhode Island	\$52,781	\$59,107

(1) Average rate for a 30-year Fixed Rate Mortgage; (2) Assumes 20% downpayment, includes taxes; (3) 30% of Household Income

SOURCE: Providence Journal, US Department of Housing & Urban Development, US Census

1.1 Home Prices

Home prices in Middletown remained fairly steady between 1980 and 2000, but have risen rapidly in the past few years. Between 2001 and 2002 the median price of a single home increased by over 35 percent, and from 2002 to 2003 it increased an additional 23 percent. A recent informal inventory of homes for sale listed in the Statewide Multiple Listing Service (MLS) conducted in June 2004 indicated a continued rapid increase in price. A total of 48 single-family homes were listed for sale, the median asking price of these homes was \$534,900. No homes were available for under \$265,000, while eight homes were priced at over one million dollars.

In general, median prices of multi-family homes and condominiums are lower than for single families, however, these types of housing units account for only a small fraction of the total housing market. Over the past five years (1999-2003), an average of 146 single-family sales were made each year, while average condominium sales was 24, and the average number of multi-family sales was only ten. Despite the gradual rise in the cost of housing during the 1990s, when the values are controlled for inflation using the Consumer Price Index the median price of single family homes remains fairly constant: between \$150,000 and \$175,000 in 2003 dollars. Since 2000, however, the price of housing has risen faster than inflation; therefore the recent increase in housing prices has not been matched by an increase in income, as shown in Table 8.

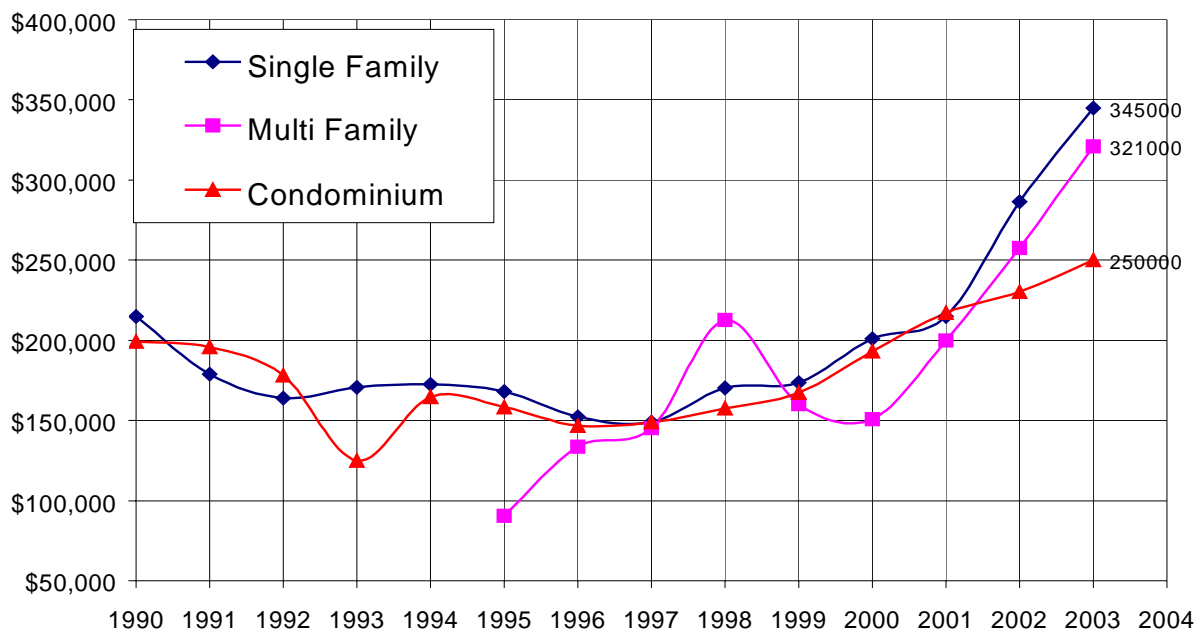
Table 9: HOUSING PRICES, 1990-2003

Year	<u>Single Family</u>		<u>Multi Family</u>		<u>Condominium</u>	
	Median Sales Price	2003 Dollars	Median Sales Price	2003 Dollars	Median Sales Price	2003 Dollars
1990	\$152,500	\$214,789	-----	-----	\$141,500	\$199,296
1991	\$132,300	\$178,784	-----	-----	\$145,000	\$195,946
1992	\$125,000	\$163,827	-----	-----	\$136,000	\$178,244
1993	\$134,020	\$170,726	-----	-----	\$98,000	\$124,841
1994	\$139,000	\$172,671	-----	-----	\$132,450	\$164,534
1995	\$139,000	\$167,874	\$75,000	\$90,580	\$131,200	\$158,454
1996	\$130,000	\$152,403	\$114,000	\$133,646	\$125,000	\$146,542
1997	\$130,000	\$149,083	\$126,750	\$145,356	\$130,000	\$149,083
1998	\$150,875	\$170,288	\$188,500	\$212,754	\$139,750	\$157,731
1999	\$157,000	\$173,481	\$145,000	\$160,221	\$151,500	\$167,403
2000	\$188,000	\$200,855	\$141,000	\$150,641	\$180,950	\$193,323
2001	\$206,950	\$214,901	\$192,450	\$199,844	\$209,000	\$217,030
2002	\$280,000	\$286,299	\$252,000	\$257,669	\$225,000	\$230,061
2003	\$345,000	\$345,000	\$321,000	\$321,000	\$250,000	\$250,000

SOURCE: RI Association of Realtors

*Data not available for Multi-family homes 1990-1994.

Figure 2 shows the inflation-controlled median sales prices of homes in Middletown for single-family, multi-family, and condominiums since 1990.

FIGURE 2 MEDIAN HOME PRICE 1990-2003

SOURCE: RI Association of Realtors

Mobile homes traditionally cost much less than conventional homes. Recent sales of mobile homes in Middletown have ranged from \$80,000 – \$95,000, while no traditional single-family homes have been offered for less than \$225,000. As of 2000, there were 232 mobile homes in Middletown. Of these, 203 are located in mobile home parks, the remainder are on private lots in residential areas.

1.2 Rentals

Table 10 provides a comparison of rental costs for various sized houses and apartments on Aquidneck Island. Although these costs are not specific to Middletown, they are fairly accurate, as Middletown rents tend to be higher than those in Newport, but lower than in Portsmouth. The 2000 census indicates that 3,049 (43.6%) of the town's housing units are renter-occupied. As approximately half of these units have occupancy restrictions, the rent table only applies to the 1,334 market rate, non-age restricted units.

Table 10: RENTAL COSTS					
<u>Year</u>	<u>Efficiency</u>	<u>Number of Bedrooms</u>			
		<u>One</u>	<u>Two</u>	<u>Three</u>	<u>Four</u>
1991	\$400-500	\$500-625	\$650 - 750	\$750 - 850	\$925 - 1,150
2001	-----	\$650-750	\$930 - 1,425	\$975 -1,525	\$1,650 - 1,750
2003	\$550-700	\$700-900	\$1,000 - 1,300	\$1,300 -1,600	\$1,600+

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The rental market is tight. The 2000 census shows that the rental vacancy rate was only 3.9% and that there has been an 8% cut in the available rental units since 1990. This may be attributed to the healthy real estate market in the late 1990's - as interest rates declined, owning a home. Recently, Middletown amended its Zoning Ordinance to allow Accessory Family Dwelling Units. This amendment allows parents or grandparents of a home-owner to live in a separate dwelling unit within a single-family home without conversion of the home into a two-family dwelling. As these units are reserved for immediate family members, rent is usually minimal, making them a very affordable option for qualified occupants. In addition, there are some pre-existing non-conforming accessory dwelling units located within town which are also rented out at generally affordable rates.

2. Income

In order to afford the median price of a single family home in 2003, a household would need an annual income of \$72,560. This is well above both the median household and family income. The disparity between wages and home prices makes it incredibly difficult for workers to afford to live in Middletown. Sales prices of homes are equivalent in Newport and Portsmouth, meaning most workers cannot comfortably afford to live on Aquidneck Island, and instead must live elsewhere and commute. The following table shows the average salary of 92 occupations in Rhode Island, the price of affordable housing for the average worker in each type of employment, and whether they could afford housing in Middletown. The table shows that an individual making the mean wage in any of these jobs could not afford a home priced at the 2002 mean, and workers in only 16 of the industries could afford median rent on a two-bedroom home.

Table 11: MEDIAN WAGE BY OCCUPATION, 2002

Occupational Title	2000 State	Median	Affordable		Avg.	Med.
	Employment	Wage	Rent	Mortgage	Rent	Mortgage
Accountants and Auditors	4,172	\$46,470	\$1,161	\$1,277	Yes	No
Technicians and Mechanics	3,248	\$31,840	\$796	\$875	No	No
Bartenders	2,026	\$14,770	\$369	\$406	No	No
Billing Clerks & Machine Operators	2,196	\$27,710	\$692	\$762	No	No
Bookkeeping, Accounting, & Auditing Clerks	8,635	\$29,990	\$749	\$824	No	No
Bus Drivers, School	1,429	\$24,260	\$606	\$667	No	No
Carpenters	5,305	\$39,000	\$975	\$1,072	No	No
Cashiers	10,568	\$15,770	\$394	\$433	No	No
Child Care Workers	3,998	\$18,180	\$454	\$499	No	No
Child, Family, & School Social Workers	2,279	\$39,650	\$991	\$1,090	No	No
Claims Adjusters, Examiners & Investigators	1,381	\$48,780	\$1,219	\$1,341	Yes	No
Combined Food Preparation & Serving Workers	8,447	\$15,170	\$379	\$417	No	No
Computer Programmers	1,756	\$54,140	\$1,353	\$1,488	Yes	No
Computer Support Specialists	2,937	\$36,760	\$919	\$1,010	No	No
Construction Laborers	2,029	\$28,600	\$715	\$786	No	No
Cooks, Fast Food	1,419	\$16,190	\$404	\$445	No	No
Cooks, Restaurant	2,487	\$21,580	\$539	\$593	No	No
Cooks, Short Order	1,161	\$18,310	\$457	\$503	No	No
Correctional Officers & Jailers	1,285	\$40,530	\$1,013	\$1,114	No	No
Counter and Rental Clerks	1,613	\$18,990	\$474	\$522	No	No
Counter Attendants, Cafeteria & Coffee Shop	2,610	\$15,500	\$387	\$426	No	No
Court & License Clerks	1,025	\$31,910	\$797	\$877	No	No
Customer Service Representatives	7,235	\$27,660	\$691	\$760	No	No
Machine Setters, Operators, & Tenders	1,656	\$20,190	\$504	\$555	No	No
Data Entry Keyers	1,276	\$23,270	\$581	\$639	No	No
Cafeteria Attendants & Bartender Helpers	1,858	\$15,450	\$386	\$424	No	No
Dishwashers	2,179	\$15,060	\$376	\$414	No	No
Driver/Sales Workers	1,386	\$16,980	\$424	\$466	No	No
Electricians	2,013	\$42,910	\$1,072	\$1,180	Yes	No
Elementary School Teachers, Except Sp. Ed.	4,663	\$53,310	\$1,332	\$1,466	Yes	No
Exec. Secretaries & Admin. Assistants	5,329	\$34,480	\$862	\$948	No	No
Fire Fighters	1,428	\$42,820	\$1,070	\$1,177	Yes	No
First-Line Supervisors of Construction Trades	2,121	\$52,040	\$1,301	\$1,431	Yes	No
First-Line Supervisors Food Prep. & Serving	2,749	\$28,670	\$716	\$788	No	No
First-Line Supervisors of Mechanics & Repairs	1,351	\$48,050	\$1,201	\$1,321	Yes	No
First-Line Supervisors of Office & Admin. Support	5,033	\$41,700	\$1,042	\$1,146	Yes	No
First-Line Supervisors of Production Workers	3,711	\$45,110	\$1,127	\$1,240	Yes	No
First-Line Supervisors of Retail Sales Workers	6,439	\$32,850	\$821	\$903	No	No
Food Preparation Workers	3,799	\$17,100	\$427	\$470	No	No
Hairdressers & Cosmetologists	2,499	\$20,960	\$524	\$576	No	No
Helpers--Production Workers	1,811	\$17,500	\$437	\$481	No	No
Home Health Aides	2,659	\$22,560	\$564	\$620	No	No
Hosts, Restaurant, Lounge, & Coffee Shop	1,003	\$16,810	\$420	\$462	No	No
Inspectors, Sorters, Samplers, & Weighers	2,065	\$23,670	\$591	\$650	No	No
Insurance Claims & Policy Processing Clerks	1,196	\$29,040	\$726	\$798	No	No
Janitors, Except Housekeeping Cleaners	8,308	\$20,800	\$520	\$572	No	No
Laborers & Material Movers	7,445	\$21,300	\$532	\$585	No	No
Landscaping & Groundskeeping	3,352	\$20,870	\$521	\$573	No	No
Laundry & Dry-Cleaning Workers	1,712	\$16,910	\$422	\$465	No	No
Licensed Practical & Vocational Nurses	2,231	\$40,270	\$1,006	\$1,107	No	No
Machinists	2,347	\$31,400	\$785	\$863	No	No
Maids & Cleaners	3,565	\$18,110	\$452	\$498	No	No
Maintenance & Repair Workers	3,843	\$31,890	\$797	\$876	No	No
Medical Assistants	1,118	\$22,610	\$565	\$621	No	No
Medical Scientists, Except Epidemiologists	1,166	\$35,940	\$898	\$988	No	No
Medical Secretaries	2,506	\$27,850	\$696	\$765	No	No
Middle School Teachers, Except Sp. & Voc. Ed.	1,575	\$46,810	\$1,170	\$1,287	Yes	No
Nursing Aides & Orderlies	8,248	\$22,260	\$556	\$612	No	No
Office Clerks, General	9,698	\$22,760	\$569	\$625	No	No
Order Clerks	1,203	\$23,280	\$582	\$640	No	No
Packaging & Filling Machine Operators	1,494	\$19,190	\$479	\$527	No	No
Packers and Packers, Hand	3,838	\$15,950	\$398	\$438	No	No
Painters, Construction & Maintenance	1,457	\$29,650	\$741	\$815	No	No
Personal & Home Care Aides	1,710	\$22,410	\$560	\$616	No	No
Pharmacy Technicians	1,008	\$19,430	\$485	\$534	No	No
Plumbers & Pipefitters	2,021	\$38,150	\$953	\$1,049	No	No
Police & Sheriff's Patrol Officers	1,985	\$44,360	\$1,109	\$1,219	Yes	No
Postal Service Mail Carriers	1,340	\$40,100	\$1,002	\$1,102	No	No
Postal Service Mail Sorters	1,138	\$37,730	\$943	\$1,037	No	No
Preschool Teachers, Except Sp. Ed.	1,214	\$24,460	\$611	\$672	No	No
Printing Machine Operators	1,032	\$30,920	\$773	\$850	No	No
Receptionists & Clerks	3,814	\$22,390	\$559	\$615	No	No
Registered Nurses	12,255	\$51,620	\$1,290	\$1,419	Yes	No
Retail Salespersons	13,716	\$18,350	\$458	\$504	No	No
Sales Reps., Wholesale & Manufacturing	6,057	\$40,880	\$1,022	\$1,124	No	No
Sec. School Teachers, Except Sp. & Voc. Ed.	4,020	\$53,260	\$1,331	\$1,464	Yes	No
Secretaries, Except Legal, Medical, & Executive	7,790	\$27,140	\$678	\$746	No	No
Securities & Financial Services Sales Agents	1,175	\$50,510	\$1,262	\$1,389	Yes	No
Security Guards	2,989	\$18,930	\$473	\$520	No	No
Shipping & Receiving Clerks	3,166	\$23,810	\$595	\$654	No	No
Social & Human Service Assistants	2,039	\$23,530	\$588	\$647	No	No
Sp. Ed. Teachers, Pre, K, & Elementary	1,230	\$47,410	\$1,185	\$1,303	Yes	No
Stock Clerks and Order Fillers	6,696	\$18,600	\$465	\$511	No	No
Teacher Assistants	5,337	\$19,600	\$490	\$539	No	No
Team Assemblers	4,922	\$19,130	\$478	\$526	No	No
Telemarketers	2,008	\$24,720	\$618	\$679	No	No
Tellers	2,291	\$22,430	\$560	\$616	No	No
Truck Drivers, Tractor-Trailer	4,681	\$33,040	\$826	\$908	No	No
Truck Drivers, Delivery Services	3,796	\$25,320	\$633	\$696	No	No
Waiters & Waitresses	9,649	\$14,380	\$359	\$395	No	No
Welders, Cutters & Brazers	1,253	\$27,020	\$675	\$743	No	No
Word Processors & Typists	1,069	\$31,160	\$779	\$856	No	No

MEDIAN RENT = MEDIAN MORTGAGE = X
SOURCE: Woonsocket Neighborhood Development Corporation & The Housing Network of Rhode Island

3. Affordable Housing

Affordable housing is generally defined as housing which costs no more than 30 percent of a household's income. For many lower income households in Middletown, affordable housing cannot be obtained through the market; however, a significant number of housing units, subsidized through a variety of Federal and State Programs, are rented or sold below market rate to households who meet specific income criteria. Most of these units are reserved for households with incomes less than 60% of Newport County's median family income (MFI); a few are available for households with incomes up to 80% MFI. Also, according to HUD data, a significant number of unsubsidized units are affordable to households with incomes less than 80% MFI.

3.1 Project Based Subsidies

Middletown has a variety of subsidized units, including both rental and homeownership units for families, the elderly, and special needs individuals. There are currently 553 housing units in Middletown subsidized through various Federal and State programs. Of this number, 362 units are for families, 99 are for the elderly, and 92 are for those with special needs. The majority of these units are reserved for households whose incomes are less than 60% of the area's mean income.

a. Subsidized Units. Of the subsidized housing available to families, there are 321 rental units and 41 homeownership units. Rental units include 302 Section 8 units at Oxbow Farms, 12 cooperative housing units at Villa Nia, and 7 units operated by Church Community Housing Corporation (CCHC). Through its "Landtrust HOME" program, CCHC purchases homes and sells them to low and moderate income families, while retaining ownership of the land; so far 15 homeownership units in Middletown have been created under this program. There are an additional 26 units of family homeownership units in Commodore Perry Village.

Affordable housing for the elderly is provided at two locations. The 50-Unit Forest Farm Assisted Living Facility provides supportive housing for low-income frail elderly. It was developed under a demonstration program for alternatives to institution care sponsored by the Rhode Island Housing and Mortgage Finance Corporation, the Department of Elderly Affairs, and the Department of Human Services; and is subsidized through the Low Income Tax Credit Program (LITC). West House provides 49 rental units subsidized under the HUD 202 program.

Low and moderate-income individuals with special needs are served by 77 beds at several group homes, and 15 units subsidized under the HUD 811 program at Villa Nia. Table 12 details existing subsidized housing, a description of the subsidy programs used to make these units affordable follows the table.

Table 12: SUBSIDIZED HOUSING UNITS							
Name	Subsidy	Rent/ Own	Income Limit	Year Subsidized	Length of Subsidy	Address	# Units
ELDERLY							99
West House	HUD 202	Rent	50% MFI	1985	40 years	417 Forest Ave	49
Forest Farm Assisted Living	LITC	Rent	60% MFI (5 units for 80% MFI)	1991		191 Forest Ave.	50
FAMILY							362
CCHC	RIH Home	Own	80% MFI	1992-01	99 years	Various	15
CCHC	RIH HOME	Rent		1992-01		Forest Ave.	7
Commodore Perry	RIH Loans	Own		1989		Admiral Perry Drive	26
Villa Nia. Cooperative	RIH Mortgage.	Rent		1998	30 years	18 Marshall Ln.	12
Oxbow Farms	HUD 236	Rent	60% MFI	1971/40yrs	40 years	55 Rogers Ln.	302
SPECIAL NEEDS							92
Group Homes	Varied	-----	N/A	N/A	N/A	Various	77
Villa Nia	HUD 811	Rent	50% MFI	1998	40 yrs	18 Marshall Ln.	15
Total Subsidized Housing Units							563

SOURCE: RI Housing & Mortgage Finance Company

b. Subsidy Programs. The following subsidy programs have been used to subsidized housing in Middletown. Other federal subsidy programs that could be used for future subsidies are detailed in Appendix A.

- **HUD 202 (West House)** - Capital advances and rent subsidies for construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons. The capital advance does not have to be repaid as long as the project serves very low-income elderly persons for 40 years. Project Rental Assistance is used to cover the difference between the HUD-approved operating cost per unit and the tenant's rent. Project Rental Assistance contract payments can be approved up to 5 years. Contracts are renewable based on the availability of funds.
- **HUD 236 (Oxbow Farms)** - Provides an interest rate subsidy that reduces the mortgage interest to an effective rate of 1%; properties must be rented to tenants who make less than 80% of the area median income.
- **HUD 811 (Villa Nia)** – Interest-free capital advances and project rent subsidies to finance the development of non-profit rental housing with supportive services for persons with disabilities. For very low-income persons between the ages of 18 and 62 who have disabilities, including persons with physical or developmental disabilities or chronic mental illness and disabled families.

- **RIH HOME (CCHC units)** – RI Housing provides grants and low-interest loans as gap financing or seed money to encourage the construction or rehabilitation of affordable houses and apartments. In Middletown, CCHC has used RIH HOME funds in its “Landtrust HOME” program to purchase homes, then sell them at an affordable price to low and moderate income households while retaining ownership of the land.
- **LITC (Forest Farm)** – The Low Income Tax Credit is currently the principal federal program for the construction and rehabilitation of affordable apartments. The tax credits are a dollar-for-dollar credit against federal tax liability. The Rhode Island Housing and Mortgage Finance Corporation (RIHMFC) allocates tax credits to developers of affordable apartments; allocation is based on RIHMFC’s annual *Qualified Allocation Plan*. Developers then sell the credits to investors, generally for-profit corporations and investment funds, generating the equity necessary to complete their projects. RIHMFC’s Qualified Allocation Plan designates Middletown as a difficult-to-develop area (as an area that has high construction, land, and utility costs relative to the Area Median Gross Income ("AMGI")); this designation may increase the number of tax credits available to a project by up to 30%.

3.2 Tenant-Based Subsidies

The Housing Choice Voucher System, previously known as Tenant Based Section 8, provides valuable housing assistance to low income residents of the Town. In recent decades, federal funding for affordable housing has been diverted from the project based subsidies described in the previous section to tenant based assistance. Usually, voucher programs are administered by a town’s Public Housing Authority (PHA). However, Middletown does not have a PHA, therefore Vouchers used in Middletown are administered by the RI Housing and Mortgage Finance Company. Under the Housing Choice program, available primarily to those whose household income is less than 30 percent of an area’s median household income², a participant pays 30 to 40 percent of household income on housing, and the remaining cost of a rental unit is subsidized by the federal government. The number of Housing Choice Vouchers used in Middletown increased from 87 in 1995 to 107 in 2002. In 2004, 96 vouchers were used in Middletown.

Vouchers can only be used in rental units meeting Fair Market Rent Criteria. Table 8 compares the 2003 Fair Market Rates in Middletown, as provided by HUD, with median rents on Aquidneck provided by the Newport County Board of Realtors. Fair market rates are less than what most rental units in Middletown actually cost; the gap between fair market rent and what is actually being charged for rental units increases with the size of the unit. The difference between advertised rents and Fair Market rents makes it difficult for voucher holders to find qualifying units.

² In 2004, Newport County’s MFI was \$67,000. A household of four with an MFI of up to \$33,650 would qualify for a Housing Choice Voucher.

Table 13: FAIR MARKET RENT, 2003

	<u>Efficiency</u>	<u>1 BR</u>	<u>2BR</u>	<u>3BR</u>	<u>4BR</u>
Fair Market Rent	\$606	\$705	\$905	\$1133	\$1268
Actual Rent	\$550-700	\$700-900	\$1,000-1,300	\$1,300-1600	\$1,600+

SOURCE: US Department of Housing & Urban Development; Newport County Board of Realtors

3.3 Other Affordable Housing

Subsidized housing is only one type of housing that is affordable to low and moderate individuals and households. According to HUD CHAS data, based on the 2000 US Census, there were 1,347 low and moderate income households in Middletown living in affordable housing (housing costs were less than 30% of income). This represents approximately 50 percent of all low and moderate income households. While this figure includes subsidized units, the remaining 794 units were not subsidized. These other affordable units included units rented and owned by the elderly, small and large families, and other households such as single and non-related householders; and include mobile homes, accessory family dwelling units, and Tenant-Based Section 8 Rental Units.

HOUSING NEEDS

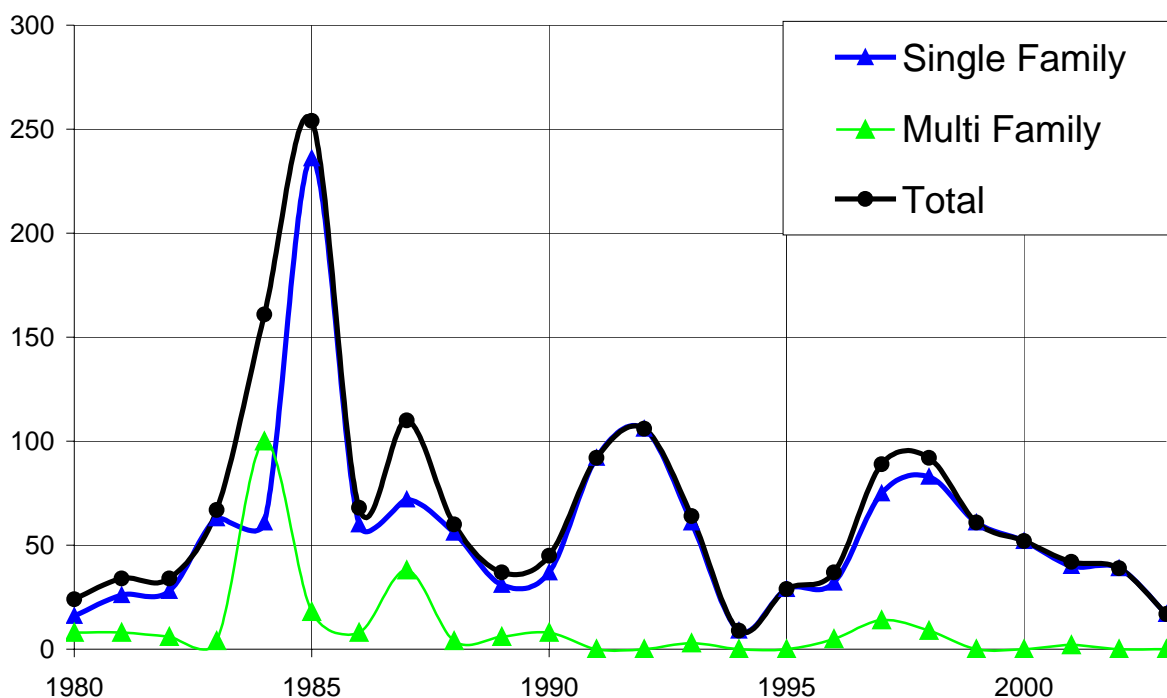
This section analyzes the need for various types of housing in Middletown. Both existing and future housing needs are detailed. The main focus is on meeting existing needs, as the population of Middletown is not expected to increase significantly over the next few decades, as indicated by population projections issued by RI Statewide Planning, building permit trends, and a build-out analysis.

1. Housing Projections

Recent population projections for Middletown prepared by RI Statewide Planning indicate that Middletown's population will remain almost constant through 2030; with an increase of only 108 people. While housing growth can usually be extrapolated from population projections, Statewide Planning's projection is heavily influenced by the reduction of Navy personnel in Middletown. Therefore, even if the population does not increase substantially in the next two decades, the town's demographic composition is likely to change significantly, with fewer Navy personnel occupying existing multi-family rental housing at Coddington Cove, the Anchorage and Green Lane, and more civilians occupying new houses constructed in the eastern portions of town. The Navy is slated to reduce its Island-wide stock of housing by 443 units, from 1,351 to 908. It is anticipated that much of this reduction will be accomplished by converting the existing four-family structures at the Anchorage to single-family housing. Because of the strong influence the Navy presence has on Middletown's population and housing stock, population projections cannot be used to accurately predict future building activity, therefore, this section projects housing production using alternative methods.

a. ***Building Permit Activity.*** The number of building permits issued by the town in recent years is likely a better indicator of population growth and associated housing need than the state's population projections, as building permits are not necessary for Navy Housing. As seen in Figure 3, except for the building boom of the mid-eighties, annual building permits issued in Middletown generally range from 30-80. The majority of these building permits are for single-family homes. Over the last decade, from 1994 to 2003, an average of 47 building permits per year have been issued, with a maximum of 92 units in 1998 and a minimum of 9 units in 1994. Building permit detail is in Appendix B.

FIGURE 3: Building Permits, 1980-2003



SOURCE: Middletown Building Department

b. Build-out Analysis. A build-out analysis for Aquidneck Island conducted in 1991 by IEP concluded that there was the potential for building 1,857 new units in Middletown (excluding Navy owned land). Although this analysis did not include timing of build-out, combined with building permit data it can be used to estimate when the town will be built-out. Since that report was released, 729 residential building permits have been issued. This means that a maximum of 1,128 additional units can be constructed. If the maximum number of units are constructed, the total number of housing units in town would be 8,369, which includes the 951 existing Navy housing units. The maximum number of potential units could be reduced if development occurs at less than the highest permissible density, and could potentially increase if zoning is changed.

If current trends continue (average of 47 building permits per year) and based on the assumptions of the buildout analysis, Middletown will reach buildout by the year 2,028, with a total of 8,369 housing units. However, as a town nears buildout capacity housing production is likely to decrease, as large tracts of developable land become scarce.

2. Housing Needs

Currently in Middletown there is a need for year-round rental housing for all income levels, homeownership opportunities for moderate-income households, and housing geared toward older individuals and couples. As current trends of moderate increases in household income, sharp climbs in housing prices, and an aging population continue, these needs will intensify unless they are addressed proactively.

a. Homeownership/Rental Units. According to the 2000 US Census, housing units in Middletown are split almost equally between owner-occupied and renter-occupied homes. However, the number of rental units can be misleading. Many of the units classified as rentals are in fact Navy Housing units, which are not available to civilians. The number of Navy Housing units is likely to be reduced substantially in the near future, putting increased pressure on the private rental market. Of those rentals available to non-Navy personnel, many are not available for year-round rental. Rather, they are rented for three months during the summer, and/or for the nine-month college school year. Summer rents are usually charged weekly, and can be three to four times as expensive per week as year round rentals are per month. Due to the strong market demand for seasonal rentals on Aquidneck Island, this issue is difficult to address. The lack of year-round housing, low vacancy rates, and high rents indicate that there is a need for additional year-round rental units.

b. Elderly. Despite the decline in Middletown's population between 1990 and 2000, the town experienced an increase in the number of older residents. Over this time period population decreased by 2,096. However, the entire decline was in 35 and under age groups. These groups decreased by 3,510, while those over 35 increased by 1,404. The combination of a decrease in population, with an increase of the older age groups has caused a significant shift in town's demographic profile. In 1990, 12 percent of Middletown's population was older than 65, this increased to 15 percent in 2000. Despite the increase in the elderly population, shown in Table 14, there has not been an associated increase in demand for nursing home beds and assisted living facilities. This is indicated by vacancies at assisted facilities rather than the waiting lists that might be expected. The short term need for additional housing of this type is minimal.

Table 14: AGE DISTRIBUTION, 1990-2000

<u>Age Groups</u>	<u>1990</u>	<u>2000</u>	<u>Change</u>
Under 5	1,465	1,210	-255
5 to 9	1,358	1,344	-14
10 to 14	1,256	1,163	-93
15 to 24	3,207	1,761	-1,446
25 to 34	3,909	2,207	-1,702
35 to 44	2,959	3,152	193
45 to 54	1,610	2,416	806
55 to 64	1,391	1,502	111
65 to 74	1,232	1,205	-27
75 to 85	698	902	204
85+	345	472	127
Total	19,430	17,334	-2,096

SOURCE: US Census, 1990 & 2000

Elderly households represent a significant number of Middletown's low and moderate Income households. Both elderly renters and homeowners are disproportionately burdened with housing costs. Therefore, there is a need for affordable housing for the elderly including low cost rental apartments and assistance for those struggling to pay mortgages.

Within the next twenty years, additional facilities for Middletown's senior citizen population will likely be needed. Because Aquidneck Island is a popular area for retirees, the demands placed upon retirement and nursing homes continues to grow; but not necessarily only from Middletown residents. Consequently, the town may always have an increased demand for nursing home beds and assisted living facilities. Additionally, there will be a growing need for smaller, empty-nester type homes for residents wishing to "downsize" their living accommodations.

c. Large Families. The majority of households in Middletown are family households. However, both the number of family households and the percent of total households that are families is decreasing – there were 4,773 families in 1990, making up 72.5 percent of all households; in 2000 there were 4,646 families comprising only 66.4 % of households. In addition to a reduction in the number of families, the average size of families has been decreasing. The average family size in Middletown was 3.01, a 22 percent decrease since 1990, when average family size was 3.16. Over this same time period, the size of houses has been increasing, with the numbers of seven and eight room houses increasing more than any other size house.

According to 2000 CHAS data, a special tabulation of Census Data released by the Department of Housing and Urban Development (HUD), only 428, or 7 percent of Middletown's households were large families of more than four persons. At the same time, over 18 percent of homes had four or more bedrooms. The trend of decreasing family size and larger houses indicates that housing for large families is sufficient at this time, and for the foreseeable future.

d. Homeless. According to the 2003 Rhode Island Emergency Shelter Annual Report, 39 homeless individuals surveyed between July 1, 2002 and June 30, 2003 reported Middletown as their last place of residence. This represents a very small fraction of Rhode Island's homeless (0.7%). Even so, use of homeless shelters in Rhode Island has been increasing, and it is therefore important for the town to support Newport County's homeless services and shelters, including Lucy's Hearth in Middletown, so that they can continue to meet the need for temporary accommodations for the area's homeless.

e. Special-needs Persons and Groups. Additional housing for special needs groups such as the mentally and physically handicapped are needed throughout the state. The town has strongly supported development of housing for special needs individuals, and will continue to do so in the future. In recent years, the number of housing units for those with special needs has increased substantially. In 1992 there were five group homes serving 35 clients. Currently, eight group homes serve 77 clients, and Villa Nia provides an additional 15 units of special needs housing. These units are all affordable to low and moderate income households, which is especially important for these vulnerable populations. While it is difficult to document quantitatively the need for special needs housing, it is likely that there will be a need for additional housing for this group for the foreseeable future. Recognizing the ongoing need for special needs housing, Church Community Housing Corporation and the Newport County Community Mental Health Center are cooperating in the development of Freedom Apartments, a ten unit rental complex for low income special needs individuals.

f. Female-Headed Households. The 2000 census indicates that of the 6,993 occupied households by type in Middletown, 682 were female-headed homes, an increase of 17.4% from the 1990 census. More than half (413) were with children under 18 years. The challenge for the town is to track and monitor the affordable adequate housing inventory available to female householder families to ensure the future supply meets the demand.

MIDDLETOWN AFFORDABLE HOUSING PLAN

The Town of Middletown is committed to providing all its citizens the opportunity to live in adequate and affordable housing. This includes subsidized housing for low and moderate income households; alternatives to large, single-family homes for the elderly and other non-family households, and homes affordable to households with moderate incomes.

This plan does not designate specific areas of Town where affordable housing will be developed, as opportunities for affordable housing should be provided throughout the town. However, this plan does recognize that some areas are more suitable for development of affordable housing due to less expensive development costs and the ability to support denser residential development.

This plan has been developed in order to meet affordable housing needs in a manner consistent with the following criteria:

Affordable housing should be:

- Provided in a manner consistent with Middletown's historical development patterns and natural systems.
- Integrated into the community rather than concentrated in specific areas of the town.
- Preserved as affordable, rather than converted to market-rate units.
- Maintained as affordable in perpetuity if provided through zoning relief that is in essence permanent (i.e. density bonuses).
- Related to the need for specific types of affordable housing in Middletown.
- Consistent with the standards and provisions of the zoning ordinance and subdivision regulations.
- Developed in a manner that will have no significant negative impacts on the health and safety of current or future residents of the community or the environment.
- Recognized as affordable, whether or not it is subsidized.

This plan sets out the policies that will be followed and actions that will be undertaken in order to reach Middletown's Affordable Housing goals. This plan focuses on short-term actions that will be undertaken over the next year, as well as additional initiatives that will be implemented within five years. Past and on-going strategies are also outlined. A longer-range plan was not developed at this time, as the plan will be reviewed annually to determine effectiveness, as well as to revise initial projections as necessary.

1. Housing Needs

Housing needs were mostly based on US Department of Housing and Urban Development's (HUD's) Comprehensive Housing Affordability Strategy (CHAS) data, therefore HUD's income and household classifications were used in assessing Middletown's affordable housing needs. Figure 4 defines Low and Moderate Income Households and household classifications; these definitions will be used throughout the plan unless otherwise indicated.

FIGURE 4: Definitions

Low and Moderate Income Households (LMI):

Any individual, family, or other household type whose family income is less than 80% of Newport County's mean family income (MFI), adjusted for household size in accordance with the US Department of Housing and Urban Development's guidelines; can be further categorized by income level or household type:

<u>Income Level</u>		<u>Household Type</u>	
Extremely Low	Income of less than 30% MFI	Elderly	1 or 2 person family households in which one or both households members are aged 65 or older.
Very Low	Income between 31% and 50% MFI	Small Family	Family households of 2-4 persons
Low	Income between 50%–80% of MFI	Large Family	Family households of 5 or more
Moderate	Income between 80% and 120% of MFI	Other Household	Any household not classified as elderly, small or large family. Includes not-elderly individuals living alone as well as non-related households.

SOURCE: US Department of Housing & Urban Development

Based on the Housing Inventory and Analysis of housing affordability and needs, the following affordable housing needs in Middletown have been identified:

a. Elderly Housing. As Middletown's elderly population continues to grow, so does the need for housing designed for one and two person elderly households. Elderly households have the highest level of housing burdens (pay more than 30% of their incomes on housing) in the town. Therefore, there is a need for additional affordable rental housing for the elderly, programs to assist low and moderate income elderly households paying mortgages, and alternatives to large, single-family homes. Currently, the number of nursing home beds is sufficient, however, more may be needed in the future.

b. Small Families. Small families at all income levels, both renters and owners, are in need of additional affordable housing. This is especially important for those who are severely cost burdened (pay more than half of their income on housing costs). Priorities are rental units for households under 65% MFI, homeownership assistance for families at 65%-80% MFI, and homeownership options for households with incomes in the 80%-120% range.

c. Large Families. Families of four or more members represent a small percentage of households in Middletown, and this percentage is likely to decrease over time. While there are a few cost burdened low and moderate-income families in the town, affordable housing for large families is not a priority.

d. Other Households. "Other" households represent a significant proportion (38 percent) of cost burdened renter and homeowner households in Middletown. As HUD's CHAS data does not give details on the composition of these households, it is difficult to ascertain what types of housing is necessary for this population. However, it is likely that many of these households are single individuals, as approximately 30% of the town's households are one-person households. Therefore, there is a need for smaller rental units for single individuals.

2. Rhode Island Housing Legislation

The Rhode Island Low and Moderate Income Housing Act was passed in 1992 to allow non-profit developers of affordable housing, and for-profit developers of affordable rental housing, to streamline the permitting process in any community which had less than ten percent of its housing stock subsidized by a federal or state housing program. Applicants whose development proposals included affordable restrictions for at least 20 percent of units could opt to file a single Comprehensive Permit rather than following the normal approval process. Projects filed under the Comprehensive Permit process could circumvent local zoning standards, and denials or approvals with conditions could be appealed to the State Housing Appeals Board.

Since this law was enacted, a minimal number of affordable units were produced in the state. In 2003, however, the act was amended to allow for-profit developers to file Comprehensive Permits for for-sale units. The majority of Rhode Island communities had not reached the 10 percent threshold, and many communities were overwhelmed with proposals for projects not compatible with their town's character or historical development patterns. The Rhode Island Legislature recognized that towns did not have the capacity to process these applications, and passed a moratorium on Comprehensive Permit applications by for-profit developers in January of 2003 in order to amend the applicable legislation.

No Comprehensive Permits were filed by for-profit developers in Middletown. Until recently Middletown met the ten percent threshold defined in the Low and Moderate Affordable Housing Act, the only suburban community in Rhode Island to do so. However, Blenheim, an 88-unit retirement home, recently retired its FHA mortgage and is now market rate housing. With the loss of Blenheim, the percentage of Middletown's housing classified as affordable dropped below ten percent. It should be noted that despite the loss of these 88 units, Middletown has the highest percentage of affordable units of any Rhode Island community not meeting the applicable threshold: as of 2004, 8.99 percent of Middletown's housing units were affordable³. In addition, more affordable housing units for families are available in Middletown than in several cities meeting the threshold, even though these cities have many more housing units in total.

Because of the loss of subsidized units at Blenheim, when the Comprehensive Permit moratorium is lifted in 2005 Middletown could be faced with Comprehensive Permit applications, with little regard to the town's need for affordable housing and Middletown's character. Therefore, this plan will be implemented so that affordable housing is provided in a manner consistent with the town's need for affordable housing, as well as with the other needs identified in this Comprehensive Plan.

In June of 2004 "An Act Related to Housing" was passed, primarily to address deficiencies in the Low and Moderate Income Housing Act, as well as in other housing related legislation. The amended legislation allows municipalities to set their own affordable housing goals and limit comprehensive permit applications. Middletown's goals, based on the needs identified in this plan, are set forth in the section entitled "5-Year Affordable Housing Action Plan".

³ RIHMFC July, 2004

3. The Broader Context

In order to understand housing needs, one must examine not only the supply and demand for housing in a particular town, but the regional and state need for affordable housing.

a. Rhode Island. The need for housing that is affordable to low and moderate-income households in Middletown is similar to the state as a whole. According to US Department of Housing and Urban Development (HUD) CHAS data, 50 percent of Middletown's LMI elderly, 51 percent of LMI families, and 54 percent of other LMI households were spending more than 30 percent of their incomes on housing expenses in 2000; this is comparable to rates of housing problems in the state of as a whole: 46 percent of elderly households, 59 percent of family households, and 54 percent of other households. While the need for affordable housing is similar to the state figure, the number of subsidized units in Middletown is higher than the state average, as shown in Table 15.

Table 15: AFFORDABLE HOUSING

	Rhode Island (# Units)	Middletown # Units	% of Rhode Island Units
Total Units	425,610	6,152	1.45%
Affordable Units			
Elderly	19,019	99	0.52%
Family	12,541	362	2.89%
Special Needs	3,057	92	3.01%
Total Affordable Housing Units	34,617	553	1.60%

SOURCE: RI Housing & Mortgage Finance Company

The Rhode Island Housing and Mortgage Finance Company (RIHMFC) is responsible for developing five year housing plans, which are used to obtain Community Development Block Grant Funding (CDGB) from the Department of Housing and Urban Development (HUD). The 2000-2005 Consolidated Housing Plan outlined Rhode Islands need for affordable housing for elderly, small and large families, and other households based on "Worst Case Needs", defined as households paying more than 50% of gross income on housing and/or living in substandard housing. As this Plan was based on 1990 data, the following table shows worst case housing needs for Rhode Island from the Consolidated Plan as well as based on the 2000 Census; and compares this data to Middletown's worst case housing needs.

Several key findings of the analysis of worst case housing needs are:

- Family and elderly households with worst case housing needs have decreased, both in Rhode Island and in Middletown.
- Homeowners with worst case housing needs have increased dramatically.
- Compared with its percentage of the state's housing units, Middletown has a lower percentage of residents with worst case housing needs.
- Middletown has a high number of renters with worst-case housing needs whose incomes are between 50% and 80% of MFI compared with the state.

Table 16: WORST CASE HOUSING NEEDS, 1990-2000										
Type of Household	Need		Rhode Island			Middletown			Percent of State Need	
	%MFI	Level	1990	2000	Change	1990	2000	Change	1990	2000
Small Related Renters	0-30%	High	7,007	8,116	1,109	61	43	-18	0.87%	0.53%
	31-51%	High	5,014	789	-4,225	50	34	-16	1.00%	4.31%
	51-80	High	724	133	-591	28	4	-24	3.87%	3.01%
	Total		12,745	9,038	-3,707	139	81	-58	1.09%	0.90%
Large Related Renters	0-30%	High	1,715	1,611	-104	32	4	-28	1.87%	0.25%
	31-51%	High	500	41	-459	14	0	-14	2.80%	0.00%
	51-80%	High	892	4	-889	0	4	4	0.00%	100.00%
	Total		3,107	1,655	-1,452	46	8	-38	1.48%	0.48%
Elderly Renters	0-30%	High	5,625	5,888	263	51	47	-4	0.91%	0.80%
	31-51%	Med	2,045	1,361	-684	48	18	-30	2.35%	1.32%
	51-80	Med	381	384	3	36	10	-26	9.45%	2.60%
	Total		8,051	7,633	-418	135	75	-60	1.68%	0.98%
All Other Renters	0-30%	High	4,785	7,851	3,066	63	62	-1	1.32%	0.79%
	31-51%	High	2,528	1,396	-1,132	21	22	1	0.83%	1.58%
	51-80%	High	742	297	-445	20	20	0	2.70%	6.73%
	Total		8,055	9,544	1,489	104	104	0	1.29%	1.09%
Owner	0-30%	Med	6,765	9,686	2,921	38	70	32	0.56%	0.72%
	31-51%	Med	3,034	6,030	2,996	44	114	70	1.45%	1.89%
	51-80%	High	3,559	4,403	844	50	86	36	1.40%	1.95%
	Total		13,358	20,119	6,761	132	270	138	0.99%	1.34%
Totals			45,316	47,989	2,673	417	538	121	0.92%	1.12%

SOURCE: US Department of Housing & Urban Development; CHAS Data

Another way to compare need for housing in Middletown to the overall state need is the average waiting time for a household to receive assisted housing. In 1997, the average wait for elderly and disabled housing was two and a half years, the wait for family housing was three to four years, and the wait for Section 8 housing was between four and five years. In Middletown, the average wait is approximately 2 years.

When compared to other towns and cities in the state, a significant number of subsidized housing units are located in Middletown. With 6,345 total housing units, only 1.45% of Rhode Island's 438,579 housing units are located in Middletown; which is ranked 23rd in the State in terms of total housing units. However, Middletown is ranked 15th in number of low and moderate income units, and 8th in provision of both family and special needs housing units.

The main difference between the need for affordable housing in Middletown compared with the need in the state as a whole is found in the housing burdens of households at different income levels. In the state as a whole, extremely low and very low income families and individuals are more likely to experience housing problems than those with low and moderate income. In Middletown, families and households with the lowest incomes (<50% MFI) are less likely to experience housing problems than those earning 50 – 80% of median income. This is likely due to the large number of subsidized family housing in the area. Among the elderly, however, households at all low-moderate incomes are similarly likely to experience housing problems.

The Rhode Island Housing and Mortgage Finance Plan prepares a Consolidated Housing Plan every five years; this plan is used as an application to the Department of Housing and Urban Development for the State's Community Development Block Grant (CDBG), HOME Investment Partnership Program, and Emergency Shelter Grant Program (ESG). The *Rhode Island Consolidated Housing Plan, 2000-2005*, sets out goals for housing in Rhode Island. The following figure illustrates how Middletown is working toward these goals.

<u>Consolidated Housing Plan, 2000-2005</u>	<u>Middletown</u>
<i>"Rhode Island's five-year goal is to encourage and provide incentives to every community to define neighborhood areas in which to focus federal funds for revitalization. At the end of the five-year period covered by this plan, every Rhode Island community should have identified its neighborhood revitalization priority areas".</i>	Rhode Island Housing concentrated housing funds in eight neighborhood revitalization areas, none of these were located in Middletown. However, the agency provides small "Targeted Assistance" Grants for planning; Middletown will apply for a grant within the next year.
<i>"While recognizing that it will take more than five years to achieve its rural development goal of having 10 percent of housing affordable in each Rhode Island community, Rhode Island will continue to strive for this achievement".</i>	At the time of the consolidated plan, Middletown had achieved 10 percent subsidized housing. Although this percentage decreased to 8.99% due to the loss of affordability restrictions at Blenheim; Middletown is close to achieving 10 percent subsidized housing and will strive to do so over the next five years.
<i>"While Rhode Island will attempt to preserve all of its federally assisted housing, the State's goal is to preserve 80 percent of this stock over the next five years".</i>	Middletown is committed to preserving all federally assisted housing in the town.
<i>"It is Rhode Island's five year goal to encourage every community to make funding available for low cost loans and grants for rehabilitation. Additionally, the State will rehabilitate approximately 2,500 units over the five year period through federal and state funding sources".</i>	In the past, the town administered low interest loans and grants for housing rehabilitation; however, Church Community Housing has taken over administration of a County – wide loan fund. Middletown funds this loan program through CDGB grants.
<i>"Rhode Island's goal for increasing affordable housing for its increasing frail elderly population is to fund one affordable assisted living facility per year and to support strategies for aging in the most independent setting possible for the individual".</i>	Rhode Island Housing partially funded the development of the Forest Farm Assisted Living Facility in Middletown. The town will continue to affordable housing for the elderly.

RI Consolidated Housing Plan, 2000-2005

b. East Bay Housing Market Area. Rhode Island's *State Housing Plan* groups towns and cities into six "Housing Market Areas". Middletown is in the East Bay Housing Market Area, along with the City of Newport and the Towns of, Portsmouth, Jamestown, Tiverton, Little Compton, Bristol, Warren, and Barrington. The majority of affordable housing in this Housing Market Area is located in Newport, which is the only municipality classified as urban in the market area. Middletown is ranked second in terms of affordable housing provision, even though several East Bay towns have larger populations and a greater number of total housing units. Middletown's 553 subsidized housing units represent almost 14 percent of the market area's 4,034 affordable housing units. Table 17 shows affordable housing in the Market Area.

Table 17: EAST BAY HOUSING MARKET AREA

City/Town	Population	Total Units ¹	LMI Units ²	% of Area LMI Units
Newport	26,475	12,368	2,226	54.40%
Middletown	17,334	6,152	553	13.51%
Bristol	22,469	8,575	476	11.63%
Tiverton	15,260	6,283	237	5.79%
Warren	11,360	4,889	225	5.50%
Portsmouth	17,149	7,005	177	4.33%
Jamestown	5,622	2,528	101	2.47%
Barrington	16,819	6,137	95	2.32%
Little Compton	3,593	1,516	2	0.05%
Total	130,459	55,453	4,034	100%

1. 2000 US Census Data, excludes seasonal and Navy units
2. July, 2004 RIHMFC Data

In the East Bay Housing Market Area there are 1,417 units of Elderly Housing, 2,140 subsidized family units, and 578 affordable special needs units. Although Newport, the only heavily urbanized area in the Market Area, has the majority of each type of household unit in the East Bay; the number of different types of affordable housing located the other towns varies significantly. The majority of elderly subsidized housing is located in Bristol, with 384 units. The rest of the towns have between zero and 153 elderly housing units. Middletown has the highest number of family housing units after Newport (362); the remaining towns all have fewer than 70 units each. The provision of special needs housing is more equitable, ranging from 26 units in Portsmouth to 99 units in Middletown. Table 18 shows housing unit by type in the East Bay Housing Market Area.

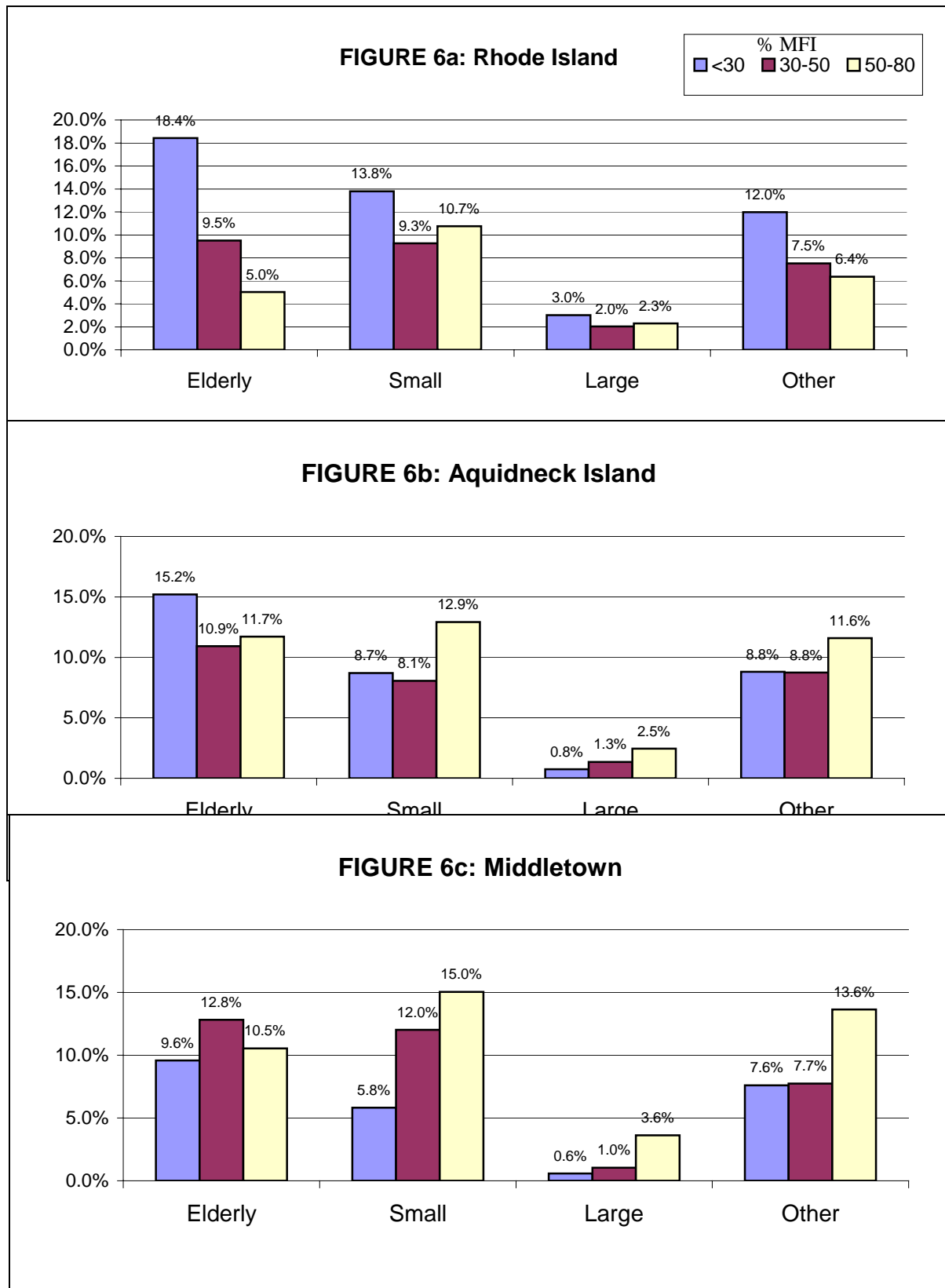
Table 18: TYPES OF HOUSING

City/Town	Elderly	Family	Special Needs	Total Units
Newport	402	1,602	240	2,226
Middletown	99	362	92	553
Bristol	384	48	69	476
Tiverton	119	68	50	237
Warren	153	16	56	225
Portsmouth	134	17	26	177
Jamestown	66	24	11	101
Barrington	60	1	34	95
Little Compton	0	2	0	2
Total	1,417	2,140	578	4,034

RI Housing & Mortgage Finance Company

c. Aquidneck Island. The East Bay Housing Market area is large, diverse geographical area, ranging from highly rural Little Compton to heavily urbanized Newport. Therefore, in examining the regional need for affordable housing, it might be more informative to compare Middletown's affordable housing need to that of Aquidneck Island. Comparing the need for affordable housing in Middletown to that of the state and region, there are some significant differences in priority housing needs. Figures 6a-c shows the percent of all Low and Moderate income households, by type, that are cost burdened in the three areas.

FIGURE 6: PERCENT OF LMI HOUSEHOLD TYPES THAT ARE COST BURDONED



At the state level, extremely low income households have the greatest need for affordable housing; there are much lower rates of housing need among households whose income falls in the 30-80% MFI range. Elderly households represent the largest share of cost burdened households in the state, almost one third of all cost-burdened LMI households, and over 18 percent of cost burdened households are the extremely low income elderly.

The data for Aquidneck Island indicates that there is less of a difference in housing need between extremely low, very low, and low income households and families. Compared to the state, there are smaller percentages of extremely low income cost burdened households, a similar percentage of very low-income households, and a higher percentage of low income households.

The need for affordable housing in Middletown is similar to that of the entire island. However; with the exception of elderly households; an even greater percentage of low-income households are cost burdened, while fewer households whose income is less than 30% MFI are cost-burdened. Also, small families are somewhat more likely to be rent burdened than elderly households, whereas these percentages are similar in the Aquidneck Island data.

4. Middletown Housing Affordability

As of 2000, there were 1,214 households with incomes under 80% of the area mean who were paying more than 30 percent of their income on rent. Of these households, 538 were severely cost burdened, paying more than 50% of their income on housing.

Cost Burdened Households

- There were more cost burdened renters than homeowners. The majority of cost burdened renters were “Other” households – most likely single persons living alone.
- The majority of cost burdened owners were elderly households.
- Among family households, almost twice as many households with incomes between 30% and 50% as families with incomes of less than 30% MFI were cost burdened.
- Large families represented a very small proportion of cost burdened households.

Severely Cost Burdened Households

- Among Renters, “Other” households had the highest rates of severe rent burdens.
- Renters and homeowners were equally likely to be severely rent burdened.
- Only one percent of Middletown’s cost burdened households were large families.
- Elderly homeowners were more likely to be severely rent burdened than elderly renters.

Affordability Trends 1990-2000

- The number of households with low and moderate incomes increased by four percent.
- The relative percentage of low, very low, and low income households; elderly versus non-elderly; and renters versus homeowners remained fairly constant.
- There was a greater increase in elderly households than in other types of households.
- Low and moderate income homeowners increased by 13 percent.
- The percentage of severely cost burdened households increased.

Table 19: AFFORDABILITY TRENDS

Low and Moderate Income Households	Number		Percent of LMI		Change, 1990-2000	
	<u>1990</u>	<u>2000</u>	<u>1990</u>	<u>2000</u>	<u>Number</u>	<u>Percent</u>
Total	2,559	2,674	100	100	115	4%
Income Category						
Extremely Low	484	483	19%	19%	-1	0%
Very Low	711	772	28%	29%	61	9%
Low	1364	1419	53%	53%	55	4%
Housing Burden						
Cost Burdened (30%)	1,364	1,419	53%	53%	55	4%
Severely Cost Burdened (50%)	396	578	15%	21%	182	46%
Household Type						
Elderly Households	787	864	31%	32%	77	10%
Other Households	1,772	1,810	69%	68%	38	2%
Tenure						
Renters	1,678	1,676	66%	63%	-2	0%
Homeowners	881	998	34%	37%	117	13%

US Department of Housing & Urban Development

5-YEAR AFFORDABLE HOUSING ACTION PLAN

The following plan sets forth Middletown's initial strategy to increase the town's supply of affordable housing. This plan lays out actions that will be taken over the next five years to meet the town's affordable housing goals. The plan will be reviewed annually to ensure yearly targets are being met. Changes to the plan will be made as necessary upon annual evaluation of progress, and as new guidelines on affordable housing are made available from Statewide Planning, the Housing Resources Commission, and the Affordable Housing Trust Fund Commission. This Plan only projects affordable housing development for the next five years, as it must be updated to comply with the state's five-year strategic housing plan at the next Comprehensive Plan five-year update in 2009.

GOAL 1: PRESERVE AFFORDABLE HOUSING

Middletown is the only suburban Rhode Island community that has met the RI Low and Moderate Income Housing Act's ten percent affordability threshold. Despite the development of a significant number of subsidized housing units between 1992 and 2003, due to the loss of affordability restrictions on 88 units at Blenheim through the early retirement of an FHA loan, the town dropped below ten percent subsidized units. Although most of Middletown's affordable units will remain subsidized for at least the next twenty years, Oxbow Farm's 40-year Section 8 affordability requirement will expire in 2011. Retaining this rental complex's affordability restrictions is essential for meeting the town's need for very low-income rental housing. In order to prevent loss of affordable units in the future, an inventory of affordable units will be created and updated regularly, and the town will work with affordable housing providers to preserve existing subsidized housing.

1.1 Monitor Affordable Housing

Develop an inventory of housing affordable to low and moderate income households, including federal and state subsidized housing, mobile homes, and Accessory Family Dwelling Units; update as necessary.

The town will create a detailed inventory of all subsidized housing units in town. The inventory will include the location, type, period of affordability restrictions, and any other relevant information. All new affordable housing units will be included in this database as they are developed. This database will be used both to determine if the town is meeting its affordable housing needs, and also to know when affordability restrictions will expire.

By tracking affordable housing, the town will be aware of upcoming potential losses of affordable units. The town will therefore be in a position to work with affordable housing providers in an effort to obtain federal and state subsidies to maintain the housing as affordable rather than conversion to market rate units. Although expiring subsidies have been a major problem throughout the United States, Rhode Island has a very strong record of retention of affordable units.

1.2 Work with Affordable Housing Sponsors

Use the information from the affordable housing inventory to proactively approach providers of affordable housing before subsidies expire; work with them to secure financing in order to preserve units as affordable.

1.3 Track Preservation Programs

It is essential to seek information on techniques used to preserve assisted housing, including federal and state incentives; and to be aware of funding levels for various programs.

A variety of federal and state programs exist that can be used to assist in preserving subsidized housing. The town needs to keep track of these programs so that they can be utilized when necessary. The town must also be aware of the funding levels for the various programs, as appropriations for these programs often vary dramatically from year to year as policies change at the federal and state level.

GOAL 2: CREATE A VARIETY OF AFFORDABLE HOUSING TYPES

The town has supported the development of housing for special needs populations, mainly through CDBG funding; and will continue to do so in the future. The town supported the development of Villa Nia, and its highest priority in CDGB applications over the past years has been for development of an accessible sidewalk from Villa Nia and nearby Oxbow farms to the nearest shopping area. In addition, the town will be working with Church Community Housing on a project to develop ten rental units for very low income special needs individuals. The town also supports development of an eight rental units for special needs individuals at the Anchorage Naval Housing complex to create a minimum of 18 new special needs units over the next five years.

2.1 Support development of Special Needs Housing

Continue to support subsidized housing for physically and mentally handicapped individuals through Community Development Block Grants and other funding.

2.2 Support development of Elderly Housing

Continue to support development of independent and assisted living opportunities for the town's growing elderly population.

Demonstrating its commitment to affordable housing for the elderly, the town recently provided substantial funding for the development of Forest Farm Assisted Living, a facility for the low-income frail elderly. Forest Farm is the only such facility in Newport County. Recognizing the lack of affordable housing options for the elderly in Middletown, and the growing need for affordable housing for the elderly as this population grows, the town will continue to support subsidized housing for the elderly. This includes assisted living facilities such as Forest Farm, as well as small rental units. This plan provides for the development of

an additional 20 units of LMI housing for the elderly over the next five years; provided at the Anchorage and through the proposed inclusionary zoning ordinance. This plan provides for the development of an additional 20 units of LMI housing for the elderly over the next five years; provided at the Anchorage and through the proposed inclusionary zoning ordinance. As the need for affordable housing for the elderly is increasing, future strategies employed by the town for development of affordable housing will focus on creating units for the elderly.

Currently, most of the housing recognized as affordable in Middletown, i.e. subsidized, is restricted to households whose income is less than 65% of the area's median income. Yet, there is an increasing number of households with incomes above the median who are cost burdened – in some cases, severely cost burdened. Market rate rentals are unaffordable to households earning less than 80 percent of median income, and homeownership is

out of reach for households with incomes above the median: as of 2003, a household in Middletown would need to earn approximately \$84,000⁴, or 130 percent of the area median income, to be able to afford the median priced home of \$345,000. These households, too, need opportunities for affordable housing. Recognizing this need, redevelopment of the Anchorage and other mixed-use development will be encouraged to include housing affordable to households with incomes of 80-120% MFI in addition to required LMI units.

2.3 Recognize the Widespread Need for Affordable Housing

Over the past decade, both the number and cost burden of low and moderate income households has been increasing. Many employees of businesses located in Middletown fit this category, and it is essential that these workers have the opportunity to locate affordable housing.

2.4 Recognize Importance of Unsubsidized Affordable Housing

Most of the affordable housing in town is not subsidized. The town will continue to permit forms of housing that are affordable without subsidies; such types of housing include mobile homes and Accessory Family Dwelling Units.

In 2000, almost two thirds of Middletown's LMI residents who were not rent burdened did not reside in subsidized housing. While detailed information on these homes is not available in the Census or CHAS data, it is likely that many of these are mobile homes and Accessory Dwelling Units. These forms of housing are an important part of the towns affordable inventory, especially as funding is reduced at the

federal and state levels. The town will investigate ways to "capture" these unsubsidized affordable units as LMI units meeting the Affordable Housing Act's definition.

GOAL 3: PROVIDE HOMEOWNERSHIP OPPORTUNITIES FOR MODERATE AND LOW INCOME HOUSEHOLDS

The town recognizes that homeownership is beneficial for families, in that owning a home provides a sense of security and allows families to build wealth, and is also good for communities, as homeowners feel more invested in their communities and are more likely to maintain and improve there property. However, in recent years rising costs of homes have made becoming a homeowner difficult for low and moderate-income households, and even some households with incomes considerably above the mean. Therefore, the town supports the development of homeownership opportunities for moderate and low-income households with the ability to maintain home ownership, generally households earning at least 65% of an area's median income.

⁴ Assumes 20% downpayment, 5.8% interest, and \$4,000 for taxes and insurance.

The majority of residential development in Middletown over the past decades has been single-family homes. Especially recently, these new homes have been geared towards the more affluent – large homes on large lots. While there is a strong need for more modest, affordable houses, such units are not being provided by the market. Therefore, the town will implement a mandatory inclusionary zoning ordinance. Under this new zoning

3.1 Implement Inclusionary Zoning

Implement a mandatory inclusionary zoning ordinance so that new housing is developed for households and families currently unable to purchase homes in the town.

ordinance, all new residential subdivisions of three or more units would be required to provide affordable housing units. In larger subdivisions affordable housing units would be provided on site, integrated with market-rate units; based on current housing trends, this will produce homeownership units on the east side of town. These units would have long-term deed restrictions so that they remain part of the town's affordable housing inventory upon resale. The purpose of the ordinance will be to ensure that at least 10 percent of all new units are affordable; density bonuses would be offered to encourage development of a greater percentage of affordable units.

Providing affordable housing units within smaller subdivisions of less than six units might prove infeasible, therefore, allowances for off-site construction or fees-in-lieu of affordable housing may be included in the ordinance. Money generated through fees could be targeted to other priority affordable housing needs, such as elderly housing. Elderly housing would also be provided through inclusion of affordable units in Senior Independent Living Facilities, a use recently added to the zoning ordinance which restricts occupants to those aged 55 and older; these can be either homeownership or rental units. Projects permitted under this provision of the Zoning Ordinance, allowed by Special Use Permit in the R-10, R-20, R-30, & R-40 districts, receive a 30% density bonus over underlying zoning.

3.2 Grant Property Tax Relief for Elderly Homeowners

Continue to provide exemptions, taxes freezes, and tax deferral to homeowners over the age of 65 to allow continued ownership; especially for seniors on fixed incomes.

The town also recognizes the difficulties many senior homeowners face in maintaining homeownership as housing costs rise. For this reason, the town's tax code has several special provisions for residents over the age of 65 that reduce the homeowners tax burden. These include a senior citizen property tax exemption, which is graduated based on household income, a tax freeze for the extremely low income elderly, and a recent (2003) tax deferral provision for moderate and lower income long-term Middletown residents.

CCHC, through its Landtrust ground-lease program, has assisted 15 low and moderate income households in becoming homeowners. In addition, the non-profit provides downpayment assistance, education programs for homebuyers, and low interest loans for rehabilitation of homes owned by LMI households. All of these programs are essential for continuing to improve homeownership opportunities in Middletown.

3.3 Support CCHC's Homeownership Programs

Recognize the importance of CCHC's various programs for low and moderate income homeowners and potential homeowners, and continue to prioritize these programs in CDGB funding applications.

3.4 Support Homeownership for Very Low Income Households

Support the development of Limited Equity Cooperative Housing for households with very low incomes.

Households with incomes below 60 percent of MFI generally do not have the means to maintain a single-family home. However, other ownership models such as limited equity cooperatives may provide viable homeownership opportunities for households with very low incomes.

GOAL 4: REDUCE DEVELOPMENT COSTS

The cost of development is a significant factor in the development of affordable housing. Land, infrastructure, and fees all add to the final cost of developing a home, and strongly influence the affordability of a unit. By reducing development costs, it becomes more financially feasible to develop housing that can be sold or rented at prices affordable to low and moderate income households.

The town is working on implementing a mandatory conservation development ordinance, to be adopted in 2005. While this in itself will not create affordable housing, and may not reduce the price of market rate units, it will indirectly assist in the provision of affordable housing in two ways. Conservation development reduces the cost of infrastructure development, thereby decreasing the overall cost of development. In addition, this ordinance will increase housing choices by allowing duplexes and townhouses either by right or through special use permit in zoning districts previously reserved for single-family development, as follows:

4.1 Require Conservation Development

Implement a mandatory Conservation Development Ordinance which reduces development costs and increases housing choices by allowing single, duplex, and townhouse development.

	DUPLEX						TOWNHOUSE (3-6 units)					
	R-60	R-40	R-30	R-20	R-10	RM	R-60	R-40	R-30	R-20	R-10	RM
CONVENTIONAL	N	N	N	N	S	S	N	N	N	N	N	S
CONSERVATION	S/X	S/X	S/X	S/X	S/X	S/X	S/X	S/X	S/X	S/X	S/X	S/X
X = permitted S = special use N = prohibited												

Multi-family dwellings are less expensive to develop than are single-family units. Furthermore, they increase the affordability of homeownership because rents generated by the rental unit(s) can be used to assist in mortgage payments for the homeowner.

4.2 Encourage Mixed Use Development

While mixed residential and commercial uses are currently permitted in some areas, this technique has not been used extensively. The town will encourage mixed use through an amendment to the zoning ordinance.

The town is currently in the process of rezoning a 78-acre parcel of land to allow for mixed residential and commercial uses. Allowing more profitable commercial development will off-set the costs of residential development. Townhouses, apartment buildings, and apartments located above commercial uses will be permitted in this zone, while single-family homes will be prohibited; these housing types will further reduce the cost of development and thereby increasing affordability

of housing. Residential density in this district will be six dwelling units/acre, higher than in any existing residential zone. The town will also be rezoning the Anchorage Naval Housing development, currently owned by the Navy and zoned Public, to Mixed Use to allow for redevelopment of the parcel to include 45 units of subsidized housing for households earning <80MFI as well as units affordable to households with incomes of 80-120% MFI. Both the Mixed Use Zoning amendment and rezoning of these parcels will take place in 2005. The two parcels to be rezoned to mixed use, and an additional 8-acre parcel currently being considered for this zoning designation, are shown on Figure 7. Additionally, any residential development in the mixed-use districts would be subject to the inclusionary housing ordinance.

The town will identify parcels and/or areas of town suitable for infill development of affordable housing. In order to identify areas suitable for such development the town will use criteria to be established by Statewide Planning. Such areas would likely include areas of town where increased density would be suitable due to presence of public water and sewer, as well as areas located near public services, as using existing infrastructure rather than extending sewer and water lines into previously undeveloped areas significantly reduces development costs. In Middletown, these areas are generally located on the west side of town, and are mostly already zoned for high-density residential development. However, as seen in Figure 7, some areas designated for high density residential by the Future Land Use Plan (Element IX- Land Use, Figure 7) are not zoned accordingly. The town will be conducting a review of discrepancies between the Future Land Use Plan and the Zoning Map over the next year, and will use this as an opportunity for identifying areas where rezoning is appropriate. In addition, the town is currently developing a GIS system which will include digitized parcel data and a building footprint layer, these will be essential in identifying specific parcels for infill development.

4.3 Use Existing Infrastructure

Identify areas that are suitable for Infill Development/Redevelopment utilizing criteria established by Statewide Planning (to be issued in 2006) for identifying areas suitable for denser development.

4.4 Utilize Existing Structures

Continue to encourage conversion of existing structures into affordable housing, including efforts to preserve units at the Anchorage as affordable housing as well as various CCHC projects.

Often, one of the most cost-effective ways to create affordable houses is the redevelopment or rehabilitation of existing structures. In many parts of the state old mill buildings are an excellent resource for conversion to affordable housing. Middletown, unlike many towns in Rhode Island, does not have any historic Mill Villages, and therefore does not have this important resource. However, some opportunities for conversion of existing structures do exist. The 49-unit Forest Farm Assisted Living, 27-unit

Villa Nia development, and the majority of CCHC's homeownership units were all redevelopment/rehabilitation projects. Currently, CCHC is converting a small hotel into rental units. Within the near future the Navy Housing Privatization Plan will provide the opportunity for redeveloping some of the 300 units of surplus Navy Housing at the Anchorage for low and moderate income households, potential subsidies for this project include Low Income Tax Credits and RI Home Funds as well as the municipal subsidy of impact fee waivers and rezoning. Other structures suitable for conversion should be identified, as a number of federal programs are geared towards the rehabilitation of existing structures, and this method of providing affordable housing maintains town character in a way that new housing development often does not. However, due to the lack of suitable larger buildings for conversion, much of the future development of affordable housing by building conversion will likely occur through the acquisition and rehabilitation of existing single-family and duplex residences in older high-density residential neighborhoods.

The various fees associated with development of new housing adds up, and influences housing prices. In order to help make affordable housing financially feasible, the town will develop standards for waiving or reducing fees for affordable housing units. The town's newly implemented Impact Fee Ordinance waives fees for affordable housing units. A portion of the fee is also waived for 55+ age-restricted housing and for nursing homes.

4.5 Waive or Reduce Fees Where Appropriate

Develop standards & provisions for waiving and/or reducing fees for housing units that meet the definition of affordable housing.

GOAL 5: APPROPRIATELY SITE AFFORDABLE HOUSING

Affordable housing should be integrated into the community, rather than segregated away from mixed and higher income neighborhoods. With the exception of Oxbow Farms, many of the affordable units in town are smaller in scale, and part of larger mixed income communities. This will continue to be the pattern of affordable housing development. In particular, the Anchorage Naval Housing complex, soon to be excessed as part of the Navy's privatization plan, should be redeveloped as a mixed-use, mixed income community.

5.1 Integrate Affordable Housing into the Community

Ensure inclusionary units are integrated with market-rate units in new developments whenever feasible; prevent concentration of units in specific areas of town

Development of affordable housing projects, especially rental projects geared toward lower income households, should be located in reasonable proximity to transit and services. One of the town's highest priorities in recent years has been providing pedestrian access from Oxbow Farms and Villa Nia to commercial areas. By siting affordable housing in the most appropriate locations, such costs could be avoided in the future; and funds used for creation of additional affordable housing units rather than other purposes. Areas appropriate for such development include the Anchorage Naval Housing Project and the proposed Mixed Use District on West Main Road.

5.2 Site Affordable Housing Near Public Services & Transit

Create a mixed-use zone which allows development of townhouses in close proximity to commercial businesses and other amenities, encourage development/redevelopment in denser areas close to transit and amenities.

5.3 Site Housing for the Elderly Appropriately

The town will strive to provide housing for elderly with access to municipal, commercial and medical facilities. Access to transit is also essential for such facilities.

As the town's elderly population continues to increase additional housing for the elderly will be developed. It is important that such facilities are located in areas which have access to facilities, including medical and municipal buildings. Access to public transportation is also important for this population.

GOAL 6: SECURE FUNDING FOR AFFORDABLE HOUSING

The financing of affordable housing has traditionally been a role of the federal government. However, federal funding for affordable housing has declined over recent decades; several subsidy programs have been unfunded for decades. Over the same time period, states began to assume the responsibility of subsidizing affordable housing. However, in Rhode Island, state funding for affordable housing is limited, and is often targeted to less affluent communities, further reducing the amount of subsidies available for development of affordable housing in Middletown.

As adequate funding for the provision of affordable housing is not available from the federal government, and state funding is limited, alternative funding sources are necessary. According to "An Act Related to Housing" (RIGL 42-128-8.1)

"Creative funding mechanisms are needed at the local and state levels that provide additional resources for housing development, because there is an inadequate amount of federal state subsidies to support the affordable housing needs of Rhode Island's current and projected population."

In order to fund affordable housing, the town needs to actively pursue existing federal and state funding through grants, loans, and other subsidies; but also needs to create ways to ensure adequate affordable housing is provided when state and federal subsidies are insufficient. The town will keep track of affordable housing programs administered at both the federal and local level, and determine which can be utilized in Middletown.

6.1 Monitor Funding Opportunities for Affordable Housing

The town will investigate grants targeted to affordable housing planning and development, as well as other incentives such as tax credits designed to make development financially feasible.

6.2 Pursue Grants for Affordable Housing

Apply for grants targeted to affordable housing planning and development.

The town will proactively seek funding for development of affordable housing by applying for grants available for development of, or planning for, affordable housing. Within the next year, the Town will apply for a Targeted Assistance Grant, administered by the Rhode Island Housing and Mortgage Finance Corporation. Although a specific grant proposal has not yet been developed, one possibility would be assistance in identifying parcels for infill developed and structures for conversion to affordable housing.

The town will also consider imposing a real estate transfer tax. This tax, which would require special enabling legislation, would be levied whenever a residential property is sold for an amount greater than the mean sale price for that type of property (single family, multi-family, or condominium) from the previous year. This tax, likely for one percent of the sale price, would be used directly for the development of affordable housing.

6.3 Investigate creative funding mechanisms

The town will study the potential benefit of imposing a small (1%-2%) tax on real estate sales, which would be used as funding to address priority affordable housing needs; and will consider implementing an affordable housing land trust.

6.3 Attach Project Based Rental Subsidies to Middletown Housing Units

Ensure that at least a portion of Newport's Section 8 subsidies are used in Middletown. These subsidies represent an important opportunity for obtaining federal housing subsidies at a time when funding is being decreased substantially.

The Newport Public Housing Authority (PHA) is currently in the process of redeveloping Tonomy Hill, a public housing project in Newport, into a mixed income community. Because the project will result in a net loss of subsidized units at the site, the Newport PHA has agreed to provide approximately 160 housing units with Section 8 project based rental subsidies. These units must be located within ten communities, of which Middletown is one. Subsidies may only be used for units with two or more

bedrooms that are rented to families whose incomes are 60% or less of MFI. The subsidized units must be located close to public transit, and can be rented at up to 110% of the area Fair Market Rent. Preference for these subsidies will be given to units located on Aquidneck Island. These subsidies can be used on units which require moderate rehabilitation, and so potentially could be used to upgrade and improve existing substandard housing units.

GOAL 7: MEET THE TEN PERCENT THRESHOLD

As one of its housing goals, Middletown wishes to again have ten percent of its housing stock subsidized for low and moderate income households. Under the Low and Moderate Income Housing Act, the calculation of the number of subsidized units in a municipality is based on the decennial Census. According to the 2000 census, there were a total of 7,603 housing in Middletown; however, RIHMFC subtracted the Navy Housing units to arrive at 6,345 units. Recent amendments to housing legislation removed seasonal units from the calculations for determining the percent of a municipalities housing stock that is affordable; the 2000 Census classified 193 units as seasonal, giving Middletown a year-round civilian housing stock of 6,152 units. In order to reach ten percent an additional 62 units of subsidized housing needs to be developed, which would give a total of 615 subsidized units.

Middletown is committed to maintaining at least ten percent of its housing units subsidized for low and moderate income households. However, construction of market-rate units creates the need for additional affordable housing – every ten-market rate units constructed creates the need for one subsidized unit. Therefore, implementing a mandatory inclusionary zoning ordinance is essential for meeting this goal; as it would ensure that new residential development fulfills the need for affordable housing that it creates.

The town will implement a mandatory inclusionary zoning ordinance requiring 10-20% affordable units. The ordinance will be designed to provide units to meet Middletown's housing needs by specifying the types of units to be produced in terms of household type, tenure, and income level served. Density bonuses will be considered for provision of a higher percentage of affordable units, and calculations resulting in a fraction

of a unit would be rounded up to ensure that at least 10% of new development is affordable to LMI households. The town currently issues an average of approximately 50 building permits for new homes each year, of which approximately ½ are for units in subdivisions of 3 or more lots. Using these figures, the 20% mandatory inclusionary zoning ordinance would result in 5 new LMI units, or 10% of new housing units, each year.

7.1 Ensure at least 10% of new development is affordable

While the rate of development of affordable housing has been higher than the increase in market-rate units in the past decade, market conditions may change. Therefore, it is essential to mandate inclusionary units, so that affordable housing will be provided if market conditions change.

7.2 Continue to Support all of CCHC's Housing Activities

CCHC has been extremely successful in developing a wide range of affordable housing opportunities in Middletown over the past decades. The town recognizes their expertise, and will continue to support this organization.

Over the past 10 years, Church Community Housing (CCHC) has developed an average of 12 units of affordable housing each year. The group has used a variety of funding sources, including RI Home, Thresholds, Low Income Tax Credits and CDBG funding to create affordable rental and homeownership housing for families, the elderly, and special needs households. Currently, CCCH is working on two affordable housing projects in town, consisting of a total

of 18 units. These projects include conversion of a 16-room motel to 10 rental units (Freedom

Apartments), and construction of four single-family homeownership and four rental units in two duplex units (Sunset Long).

In addition to requiring mandatory inclusionary zoning, the town will develop a “subsidy” system that that will be used exclusively for affordable housing. Subsidies may include direct financial assistance, funded by grants and/or other, non-financial assistance that will make affordability restrictions on housing units feasible. Subsidies would include the density bonus in the proposed inclusionary zoning ordinance as well as funding assistance from grants. A subsidy for substantial rehabilitation of housing resulting in affordable housing will also be considered.

7.3 Develop a Municipal Subsidy System

The town will secure funding through grants and other funding mechanisms that will be used to fund priority affordable housing projects, other subsidies such as tax breaks and zoning incentives will also be considered.

AFFORDABLE HOUSING PROJECTION

Table 20 sets out the town’s plan for achieving ten percent subsidized units, Table 21 provides further detail on affordable housing development, and Table 23 shows the proportional need for family, elderly and special needs housing. Implementation of the Five Year Affordable Housing Plan is projected to result in the development of 73 additional units of affordable housing by 2009; representing 10.18% of total units. These units will meet the need for Elderly, Family, and Special Needs affordable housing.

It should be noted that all of the ongoing actions outline above will continue to be implemented once the 10% threshold is reached, and that the number percent of subsidized units will exceed 10% of Middletown’s housing units. Figure 7, on page 43, shows the location of existing and proposed low and moderate income housing units.

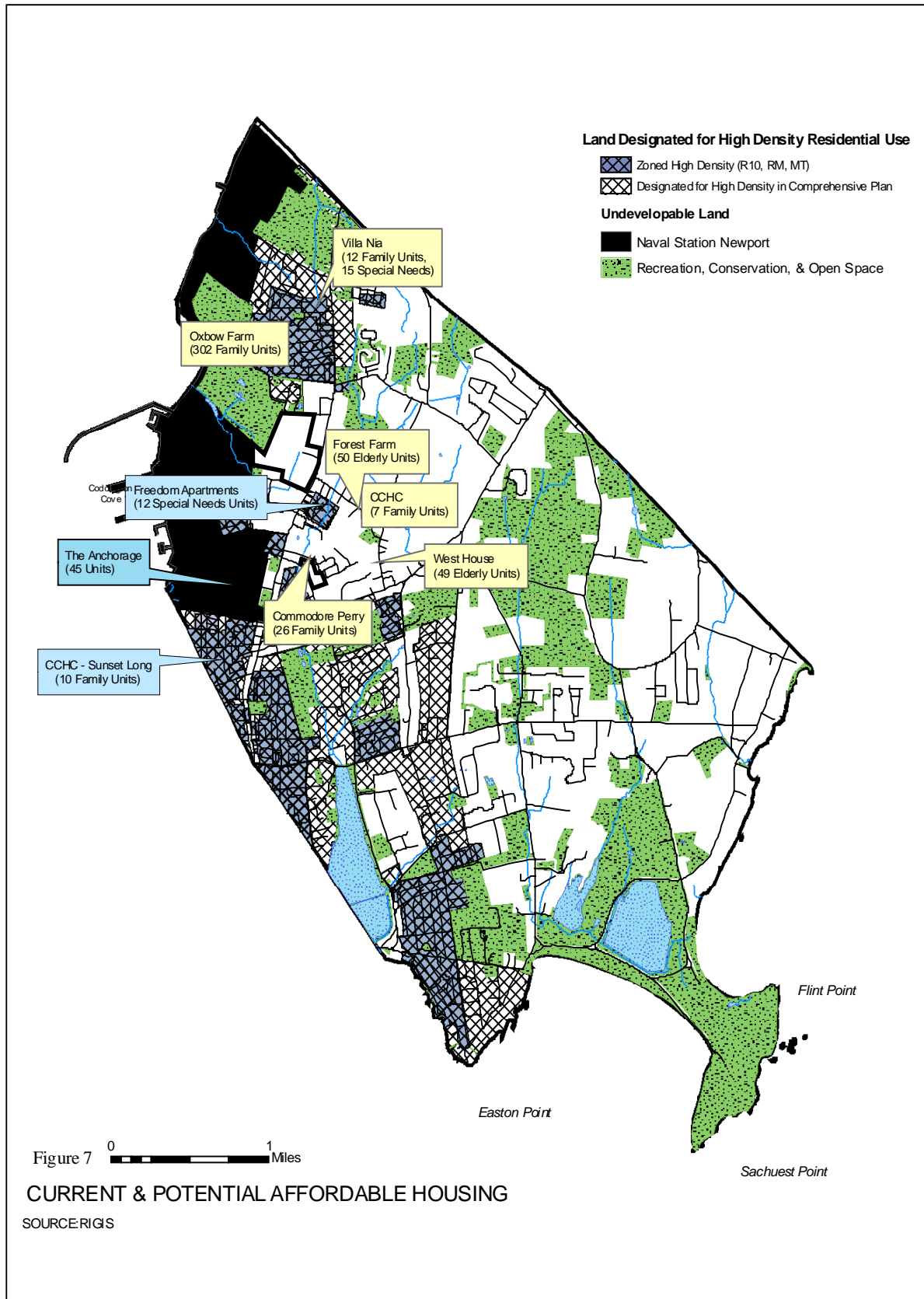
Table 20: MIDDLETOWN’S FUTURE HOUSING NEEDS					
Household Type	Proportional Need projected by 2000 CHAS*	# of LMI Units Needed (=615 x CHAS %)	Existing Supply	Future Need = 62 * 2000 CHAS proportional need	Future Supply = Future Need + Existing Supply
Elderly	32.42%	199	99	20	119
Family	38.61%	237	362	24	386
Other	28.97%	178	92	18	110
Total LMI units		615	553	62	615
* The CHAS proportion is calculated by adding all households <= 80% AMI reporting "any housing problems" and calculating each group as a percentage of the total number of households reporting housing problems.					

Table 21: NUMBER OF LMI UNITS TO BE PRODUCED (by strategy & time)					
DEVELOPMENT STRATEGY	YEAR 1 (2005)	YEAR 2 (2006)	YEAR 3 (2007)	YEAR 4 (2008)	YEAR 5 (2009)
Freedom Apartments	10				
Sunset Long	8				
Anchorage Naval Housing		20	25		
Inclusionary Zoning*				5	5
Total low-mod units added	18	20	25	5	5
Existing low-mod units	553	571	591	616	621
Decennial Units (2000 Census)	6,152	6,152	6,152	6,152	6,152
% low-mod units achieved	9.28%	9.61%	10.01%	10.09%	10.18%

*Assumes only 1/2 permits will apply to subdivisions of 3 or more

Table 22: NUMBER OF LMI UNITS TO BE PRODUCED (household tenure & type)							
Development Strategy	Totals by Strategy	Elderly		Family		Special Needs	
		Rental	HO*	Rental	HO	Rental	HO
Freedom Apartments	10					10	
Sunset Long	8			2	6		
Anchorage Naval Housing	45	15		11	11	8	
Inclusionary Zoning	10	5			5		
Total low-mod units added	73						
Totals by HH type and tenure type		20	0	13	22	18	0
Totals by HH type		20		35		18	
Future Need Goal by CHAS data		GOAL 20		GOAL 24		GOAL 18	

*HO = homeownership



GOAL 8: ENSURE AFFORDABLE HOUSING ACTION PLAN IS IMPLEMENTED

8.1 Ensure coordination of affordable housing activities

Designate an individual or group as the responsible party for implementation of the affordable housing plan in order to ensure coordination among the various parties responsible for implementation actions.

Currently Middletown does not have a municipal department, staff member, or committee with the primary responsibility for affordable housing planning and development; neither does the town have a Public Housing Agency. While this plan designates the parties responsible for each of the actions that will be taken, there should be a single person or group who would have a role in all affordable housing activities. To ensure that affordable

housing planning/development is carried out in the most efficient and effective manner, the town will examine various alternatives for affordable housing plan coordination such as the creation of a Middletown Public Housing Authority or designation of a department as responsible for affordable housing.

The town will also investigate the potential for utilizing Church Community Housing's experience with affordable housing by developing a partnership with the organization in which they would take on certain of the responsibilities for affordable housing plan implementation, such as long-term monitoring of affordability restrictions.

8.2 Partner with CCHC

Church Community has a long history of successful affordable housing development in Middletown. The town can benefit from this experience by partnering with the group on affordable housing issues.

The following Table sets out Middletown's housing policies, and the actions that will be taken to meet housing goals. The time frame for each action, as well as the responsible party or parties and status of each item, is included. While some of the implementation items are discrete, others are ongoing, or have been implemented already.

AFFORDABLE HOUSING IMPLEMENTATION PROGRAM

1.	PRESERVE AFFORDABLE HOUSING					
	Policy	Action	Timeframe	Responsibility	Resources	Partner
1.1	Monitor Affordable Housing	1.1.1 Develop an Affordable Housing Inventory 1.1.2 Update as needed	Done Ongoing	Planning Dept., Housing Agency	HUD RIHMFC CCHC	
1.2	Work with Affordable Housing Sponsors	1.2.1 Approach sponsors of expiring contracts to preserve affordable housing units as they near the end of their income restrictions	2011 for Oxbow Farms, others to be determined	Planning Dept., Housing Agency.	RIHMFC, HUD, fed & state programs	RIHMFC CCHC
1.3	Track Preservation Programs	1.3.1 Seek information on preservation techniques. 1.3.2 Monitor funding levels of various programs.	Year 1 and ongoing Year 1 and ongoing	Planning Dept., Housing Agency	HUD, RIHMFC	
2.	CREATE A VARIETY OF AFFORDABLE HOUSING TYPES					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
2.1	Support development of Special Needs Housing,	2.1.1 Continue to provide funding to support housing targeted to special needs individuals (group homes and independent living arrangements).	Ongoing	Town Council	HUD 811 CDBG Thresholds	CCHC
2.2	Support Development of Elderly Housing	2.2.1 Continue to provide CDBG funding to assist in acquiring housing for senior citizens requiring low cost retirement apartments 2.2.2 Permit Independent Living Facilities	Ongoing Done	Town Council	CDGB	
2.3	Recognize the Widespread Need for Affordable Housing	2.3.1 Provide for affordable housing for households up to 120% of MFI in Inclusionary Zoning Ordinance	Year 1	Planning Department	Town Solicitor	
2.4	Recognize Importance of Unsubsidized Affordable Housing	2.4.1 Allow Mobile Homes 2.4.2 Allow Accessory Family Dwellings Units	Done Done	Town Council Town Council		N/A

3.	PROVIDE HOMEOWNERSHIP OPPORTUNITIES TO MODERATE AND LOW INCOME HOUSEHOLDS					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
3.1	Implement Inclusionary Zoning	3.1.1 Draft Ordinance 3.1.2 Adopt Ordinance	6 months Year 1	Planning Dept. Town Council	Town Solicitor Statewide Planning	
3.2	Grant property tax relief for elderly homeowners.	3.2.1 Grant tax exemptions to seniors 3.2.2 Allow tax deferments for elderly 3.2.3 Freeze taxes for low income seniors	Done Done Done	Town Council, Finance Dept.		N/A
3.3	Support CCHC's Homeownership programs.	3.3.1 Prioritize Programs in CDGB applications.	Ongoing	Town Council		CCHC
3.4	Support homeownership for very low income households	3.4.1 Support the development of Limited Equity Cooperative Housing.	Ongoing	Town Council, Planning Dept.		CCHC, Newport PHA

4.	REDUCE DEVELOPMENT COSTS					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
4.1	Require Conservation Development	4.1.1 Draft Ordinance 4.1.2 Adopt Zoning Amendment	6 months 1 year	Planning Dept., Town Council		
4.2	Encourage Mixed-Used Development	4.2.1 Amend Comprehensive Plan 4.2.2 Amend Zoning Ordinance 4.2.3 Rezone the Anchorage 4.2.4 Identify additional parcels suitable for mixed use	Done 1 Year 1 Year Year 2	Town Council Town Council Town Council Statewide Planning	Planning Board	
4.3	Use Existing Infrastructure	4.3.1 Identify areas suitable for Infill development/redevelopment	Year 2	Housing Agency		Statewide Planning, CCHC
4.4	Utilize existing structures	4.4.1 Work with CCHC to encourage Navy to preserve units at the Anchorage as affordable. 4.4.2 Continue to support CCHC projects that convert existing structures to affordable housing	Year 1 Ongoing	Planning Dept. Town Council		CCHC
4.5	Waive or reduce fees where appropriate	4.5.1 Provide for waivers of impact fees for affordable units in Impact Fee Ordinance 4.5.2 Consider reduction/waivers of other fees.	Done Year 1	Town Council Town Council	Planning Dept. Building Dept.	

5.	SITE AFFORDABLE HOUSING APPROPRIATELY					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
5.1	Integrate Affordable Housing into Community	5.1.1 Require inclusionary units to be on-site whenever feasible.	Year 1	Planning Department		
5.2	Site Affordable Housing Near Public Services & Transit	5.2.1 Take into consideration surrounding area when considering affordable housing applications.	Ongoing	Planning Board		CCHC
5.3	Site Housing for the Elderly Appropriately	5.3.1 Strive to provide elderly housing that is accessible to municipal, commercial, and medical facilities as well as transit.	Ongoing	Town Council, Planning Board		CCHC

6.	SECURE FUNDING FOR AFFORDABLE HOUSING					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
6.1	Monitor Funding Opportunities for Development of Affordable housing	6.1.1 Create Affordable Housing Grant Database 6.1.2 Update Grant Database as necessary	Done Ongoing	Planning Dept./ Housing Agency.	RIHMFC, HUD, Foundations	
6.2	Pursue Affordable Housing Grant Opportunities	6.2.1 Apply for CDGB funding 6.2.2 Apply for Targeted Assistance Grant. 6.2.3 Apply for other housing grants	Ongoing Year 1 As appropriate	Planning Dept., Housing Agency	CCHC, RIHMFC	
6.3	Investigate creative funding mechanisms	6.3.1 Consider a Real Estate Transfer Tax 6.3.2 Investigate Development of an Affordable Housing Land Trust	Year 1 Year 3	Town Council, Planning Dept, Planning Board	Jamestown, Cape Cod towns	
6.4	Attach Project Based Rental Subsidies to Middletown Housing Units.	6.3.3 Ensure a portion of Newport's Project Based Section 8 subsidies are used in Middletown.	Year 1-2	Planning Dept.	Section 8 Project Based Rental Subsidies	Newport PHA, CCHC, homeowners

7.	ACHIEVE 10 PERCENT THRESHOLD					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
7.1	Ensure at least 10% of new development is affordable	7.1.1 Enforce Inclusionary Zoning Ordinance	Year 2 and ongoing	Housing Agency		
7.2	Continue to Support all of CCHC's Housing Activities	7.2.1 Provide CDGB funding for all CCHC's programs. 7.2.2 Work with CCHC on projects	Ongoing Ongoing	Town Council, Planning Board, Municipal staff	CDGB	CCHC
7.3	Develop a Municipal Subsidy System	7.3.1 Create a mechanism for financially or otherwise subsidizing affordable housing units.	Year 2	Housing Agency		Planning Departments

8.	ENSURE AFFORDABLE HOUSING ACTION PLAN IS IMPLEMENTED					
	Policy	Action	Timeframe	Responsibility	Resources	Partners
8.1	Ensure coordination of affordable housing activities	8.1.1 Investigate alternatives for overall Affordable Housing Plan responsibility, such as creation of a Public Housing Authority. 8.1.2 Implement the best alternative identified. 8.1.3	Year 1 Year 2	Town Council, Planning Board	Public Housing Authorities, Towns and Cities	
8.2	Partner with CCHC	8.2.1 Work with CCHC order to more effectively implement affordable housing plan action items.	Years 1-5	Town Departments and Boards		CCHC

Appendix A: State & Federal Housing Policies and Programs

Program	Description	Population (Income)	Rent/ Own.	Counts as Affordable	Still Funded	# Units in Middletown
Public Housing	Federally funded, owned and operated by local public housing authorities. No (net) new units in more than 25 years.	Any (50% MFI)	Rent	Yes	No	None
Section 8 New Construction/ Rehab	Subsidized mortgage financing for low-income multifamily projects. Program ended in 1983.	Families	Rent	Yes	No	
Section 202	Supportive Housing for Elderly. Provides capital advances to finance the construction and rehabilitation of structures that will serve as supportive housing for very low-income elderly persons and provides rent subsidies for the projects to help make them affordable. Must Remain affordable for 40 years.	Elderly (50% MFI)	Rent	Yes	Yes	49
Section 221(d)(3) BMIR	Loan Insurance and subsidies. Ended in the mid 1960's.	Families (95% MFI)		Yes	No	None
Section 221(d)(3) & Section 221(d)(4)	Mortgage Insurance for Single Room Occupancy rental units.	Single (None)	Rent		Yes	None
Section 236	Loan Insurance and subsidies. Program ended in 1973.	(Low)		Yes	No	302
Section 515	Rural Housing Service direct loan program.	(Low/Mod)	Rent	Yes	Yes	None
Section 811	HUD funded development of supportive housing and rental subsidies.	Disabled (50%MFI)	Rent	Yes		15
Low Income Tax Credit	Tax incentive for private developers of affordable housing	Any (60% MFI)	Rent	Yes	Yes	50
RIHMFC Mortgage	Below market rate loans.		Own	Yes	Yes	12
HOME	Block grant to state and local affordable housing programs.	(65% MFI)*	Rent/Own	Yes	Yes	48
Tenant Based Section 8	Certificates and Vouchers.	(50% MFI)	Rent	No	Yes	107
20/80 Mixed Income Rental Program	Tax-exempt permanent loan for financing Mixed Income multifamily rental properties. Either 20% of units reserved for households at 50%MFI or 40% of units for households at 60%MFI	Any (60%MFI)	Rent/Own	Yes	Yes	None

*All HOME-assisted units must be occupied by households with income at or below 80% of area median gross income and 90% of those must be occupied by households with income at or below 60% of area median gross income. Twenty percent (20%) of rental units in buildings containing five or more units must be occupied by households at or below 50% of area median gross income, adjusted for family size.

APPENDIX B: BUILDING PERMIT DATA

Year	Single-Family	Multi-family	Total	Year	Single-Family	Multi-family	Total	Year	Single-Family	Multi-family	Total
1980	16	8	24	1990	37			2000	52	0	52
1981	26	8	34	1991	92			2001	40	2	42
1982	28	6	34	1992	106	0	106	2002	39	0	39
1983	63	4	67	1993	61	3	64	2003	17	0	17
1984	61	100	161	1994	9	0	9	2004	24	14	38
1985	236	18	254	1995	29	0	29				
1986	60	8	68	1996	32	5	37				
1987	72	38	110	1997	75	14	89				
1988	56	4	60	1998	83	9	92				
1989	31	6	37	1999	61	0	61				
Total	649	200	849	Total	585	31	616	Total	172	16	188

APPENDIX C: CHAS DATA - 2000

Rhode Island

Name of Jurisdiction: Rhode Island			Source of Data: CHAS Data Book			Data Current as of: 2000					
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Household Income <= 50% MFI	26,566	24,985	5,980	24,435	81,966	23,473	7,912	2,027	4,730	38,142	120,108
2. Household Income <=30% MFI	17,842	14,865	3,235	15,485	51,427	10,723	3,183	577	2,275	16,758	68,185
3. % with any housing problems	53.8	77.3	86.6	67.0	66.6	82.5	84.8	93.2	78.5	82.8	70.6
4. % Cost Burden >30%	53.0	74.2	76.4	65.3	64.3	82.4	84.2	90.8	78.5	82.5	68.8
5. % Cost Burden >50%	33.0	54.6	49.8	50.7	45.6	49.7	74.9	77.1	67.5	57.8	48.6
6. Household Income >30 to <=50% MFI	8,724	10,120	2,745	8,950	30,539	12,750	4,729	1,450	2,455	21,384	51,923
7. % with any housing problems	48.8	59.8	71.0	64.1	58.9	42.0	76.8	82.8	75.2	56.3	57.8
8. % Cost Burden >30%	47.7	55.6	34.2	62.9	53.6	41.5	75.9	74.8	74.7	55.2	54.2
9. % Cost Burden >50%	15.6	7.8	1.5	15.6	11.8	17.1	46.0	34.8	47.5	28.2	18.5
10. Household Income >50 to <=80% MFI	5,650	13,300	3,098	13,500	35,548	15,701	16,124	4,325	5,788	41,938	77,486
11.% with any housing problems	29.9	16.5	45.0	22.1	23.2	21.7	57.5	59.2	60.8	44.7	34.9
12.% Cost Burden >30%	29.0	11.2	6.1	20.9	17.3	21.4	56.8	48.3	60.5	43.2	31.3
13. % Cost Burden >50%	6.8	1.0	0.1	2.2	2.3	7.0	11.7	6.7	19.4	10.5	6.8
14. Household Income >80% MFI	4,618	19,950	2,620	18,550	45,738	27,005	100,974	17,330	19,740	165,049	210,787
15.% with any housing problems	9.8	4.5	37.0	2.9	6.3	8.1	10.1	16.1	19.5	11.5	10.4
16.% Cost Burden >30%	8.4	1.1	1.7	1.5	2.0	7.9	9.5	9.2	19.1	10.3	8.5
17. % Cost Burden >50%	2.8	0.1	0.0	0.1	0.4	1.0	0.7	0.4	2.0	0.9	0.7
18. Total Households	36,834	58,235	11,698	56,485	163,252	66,179	125,010	23,682	30,258	245,129	408,381
19. % with any housing problems	43.4	35.5	60.8	34.8	38.8	29.9	20.6	29.9	36.3	26.0	31.1
20. % Cost Burden >30	42.5	31.6	31.1	33.3	34.6	29.6	20.0	22.3	36.0	24.8	28.7
21. % Cost Burden >50	21.1	15.6	14.1	16.9	17.2	13.4	5.7	5.5	13.9	8.8	12.1

Middletown

Name of Jurisdiction: Middletown town, Rhode Island			Source of Data: CHAS Data Book			Data Current as of: 2000					
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Household Income <= 50% MFI	216	384	48	192	840	261	76	8	70	415	1,255
2. Household Income <=30% MFI	107	129	18	82	336	93	15	4	35	147	483
3. % with any housing problems	43.9	49.6	44.4	95.1	58.6	89.2	100.0	0.0	71.4	83.7	66.3
4. % Cost Burden >30%	43.9	49.6	44.4	95.1	58.6	89.2	100.0	0.0	71.4	83.7	66.3
5. % Cost Burden >50%	40.2	34.9	22.2	85.4	48.2	35.5	100.0	0.0	71.4	49.7	48.7
6. Household Income >30 to <=50% MFI	109	255	30	110	504	168	61	4	35	268	772
7. % with any housing problems	59.6	49.0	33.3	63.6	53.6	67.3	86.9	100.0	100.0	76.5	61.5
8. % Cost Burden >30%	59.6	43.1	33.3	63.6	50.6	64.9	86.9	100.0	100.0	75.0	59.1
9. % Cost Burden >50%	18.3	13.7	0.0	22.7	15.9	35.1	73.8	0.0	42.9	44.4	25.8
10. Household Income >50 to <=80% MFI	144	334	83	275	836	243	210	50	80	583	1,419
11.% with any housing problems	44.4	16.2	27.7	50.9	33.6	32.5	71.4	60.0	68.8	53.9	41.9
12.% Cost Burden >30%	44.4	16.2	22.9	47.3	31.9	32.5	71.4	60.0	68.8	53.9	40.9
13. % Cost Burden >50%	6.9	1.2	4.8	7.3	4.5	10.3	16.7	20.0	43.8	18.0	10.1
14. Household Income >80% MFI	140	665	89	439	1,333	690	1,640	260	345	2,935	4,268
15.% with any housing problems	28.6	7.5	15.7	3.2	8.9	10.9	15.5	21.2	26.1	16.2	13.9
16.% Cost Burden >30%	28.6	5.3	0.0	0.9	5.9	10.9	14.0	15.4	23.2	14.5	11.8
17. % Cost Burden >50%	10.7	0.0	0.0	0.9	1.4	0.0	0.6	0.0	0.0	0.3	0.7
18. Total Households	500	1,383	220	906	3,009	1,194	1,926	318	495	3,933	6,942
19. % with any housing problems	43.2	21.2	25.0	33.3	28.8	29.3	24.6	28.0	41.4	28.4	28.6
20. % Cost Burden >30	43.2	19.0	16.8	31.1	26.5	29.0	23.3	23.3	39.4	27.0	26.8
21. % Cost Burden >50	17.6	6.1	3.6	13.1	9.9	9.8	5.5	3.1	15.2	7.8	8.7

Newport

Name of Jurisdiction: Newport city, Rhode Island			Source of Data: CHAS Data Book			Data Current as of: 2000					
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Household Income <= 50% MFI	586	908	131	1,149	2,774	376	79	30	161	646	3,420
2. Household Income <=30% MFI	394	670	77	620	1,761	184	44	15	63	306	2,067
3. % with any housing problems	52.0	62.7	41.6	66.1	60.6	100.0	100.0	100.0	44.4	88.6	64.7
4. % Cost Burden >30%	52.0	59.0	28.6	57.3	55.5	100.0	100.0	100.0	44.4	88.6	60.4
5. % Cost Burden >50%	30.5	39.6	10.4	46.0	38.5	56.5	90.9	100.0	38.1	59.8	41.7
6. Household Income >30 to <=50% MFI	192	238	54	529	1,013	192	35	15	98	340	1,353
7. % with any housing problems	51.0	58.0	53.7	66.0	60.6	53.6	100.0	100.0	89.8	70.9	63.2
8. % Cost Burden >30%	51.0	43.3	27.8	65.2	55.4	53.6	100.0	100.0	89.8	70.9	59.3
9. % Cost Burden >50%	19.8	10.1	0.0	21.7	17.5	12.5	100.0	100.0	65.3	40.6	23.3
10. Household Income >50 to <=80% MFI	167	374	100	720	1,361	338	169	14	144	665	2,026
11.% with any housing problems	52.7	33.2	55.0	42.4	42.0	29.3	67.5	100.0	79.2	51.3	45.1
12.% Cost Burden >30%	44.3	33.2	30.0	41.0	38.4	29.3	65.1	100.0	76.4	50.1	42.3
13. % Cost Burden >50%	0.0	5.3	0.0	2.8	2.9	8.9	23.7	0.0	27.8	16.5	7.4
14. Household Income >80% MFI	178	898	110	1,329	2,515	900	1,664	223	720	3,507	6,022
15.% with any housing problems	4.5	4.2	36.4	3.7	5.4	15.6	15.3	13.0	27.1	17.6	12.5
16.% Cost Burden >30%	4.5	3.3	18.2	2.2	3.5	15.6	14.7	11.2	27.1	17.2	11.5
17. % Cost Burden >50%	0.0	0.0	0.0	0.0	0.0	3.9	4.1	0.0	6.3	4.2	2.5
18. Total Households	931	2,180	341	3,198	6,650	1,614	1,912	267	1,025	4,818	11,468
19. % with any housing problems	42.9	33.0	45.7	34.8	35.9	32.6	23.4	27.3	41.5	30.5	33.7
20. % Cost Burden >30	41.4	29.9	25.5	32.0	32.3	32.6	22.6	25.8	41.1	30.1	31.4
21. % Cost Burden >50	17.0	14.2	2.3	13.1	13.5	12.0	9.6	11.2	16.9	12.0	12.9

Portsmouth

Name of Jurisdiction: Portsmouth town, Rhode Island			Source of Data: CHAS Data Book			Data Current as of: 2000					
	Renters					Owners					
Household by Type, Income, & Housing Problem	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Renters	Elderly (1 & 2 members)	Small Related (2 to 4 members)	Large Related (5 or more members)	All Other	Total Owners	Total Households
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1. Household Income <= 50% MFI	166	140	14	150	470	360	66	15	64	505	975
2. Household Income <=30% MFI	107	45	10	85	247	201	22	0	10	233	480
3. % with any housing problems	62.6	33.3	100.0	58.8	57.5	76.1	81.8	N/A	100.0	77.7	67.3
4. % Cost Burden >30%	62.6	33.3	100.0	58.8	57.5	76.1	81.8	N/A	100.0	77.7	67.3
5. % Cost Burden >50%	36.4	33.3	100.0	41.2	40.1	56.2	63.6	N/A	100.0	58.8	49.2
6. Household Income >30 to <=50% MFI	59	95	4	65	223	159	44	15	54	272	495
7. % with any housing problems	57.6	73.7	100.0	69.2	68.6	49.7	77.3	100.0	35.2	54.0	60.6
8. % Cost Burden >30%	57.6	73.7	100.0	69.2	68.6	49.7	77.3	100.0	35.2	54.0	60.6
9. % Cost Burden >50%	6.8	31.6	0.0	38.5	26.5	18.2	68.2	100.0	27.8	32.7	29.9
10. Household Income >50 to <=80% MFI	89	195	10	150	444	240	230	69	113	652	1,096
11.% with any housing problems	32.6	28.2	0.0	36.7	31.3	29.2	58.7	34.8	52.2	44.2	39.0
12.% Cost Burden >30%	32.6	20.5	0.0	36.7	27.9	29.2	58.7	34.8	52.2	44.2	37.6
13. % Cost Burden >50%	0.0	10.3	0.0	10.0	7.9	8.3	30.4	5.8	17.7	17.5	13.6
14. Household Income >80% MFI	75	530	75	175	855	775	2,289	360	380	3,804	4,659
15.% with any housing problems	0.0	2.8	26.7	8.6	5.8	12.3	14.6	12.5	27.6	15.2	13.5
16.% Cost Burden >30%	0.0	2.8	13.3	0.0	2.9	11.0	14.4	12.5	27.6	14.9	12.7
17. % Cost Burden >50%	0.0	0.0	0.0	0.0	0.0	1.9	1.3	0.0	0.0	1.2	1.0
18. Total Households	330	865	99	475	1,769	1,375	2,585	444	557	4,961	6,730
19. % with any housing problems	39.4	17.9	34.3	34.7	27.4	28.9	20.2	18.9	34.6	24.1	24.9
20. % Cost Burden >30	39.4	16.2	24.2	31.6	25.1	28.1	20.0	18.9	34.6	23.8	24.1
21. % Cost Burden >50	13.0	7.5	10.1	15.8	10.9	12.9	5.6	4.3	8.1	7.8	8.6